



Press Release – August 13, 2013

VALEURA ANNOUNCES SECOND QUARTER 2013 FINANCIAL AND OPERATING RESULTS

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report highlights of its unaudited financial and operating results for the three and six month periods ended June 30, 2013 and to provide an update on subsequent developments. The complete quarterly reporting package for the Corporation, including the unaudited financial statements and associated management's discussion and analysis, has been filed on SEDAR at www.sedar.com and posted on the Corporation's website at www.valeuraenergy.com.

STRATEGIC DEVELOPMENTS

"The next phase of our program to de-risk and prove-up the most cost effective tight gas development program in the Thrace Basin has commenced with the completion of the first horizontal well in a planned two-well horizontal pilot in the Tekirdag area," said Jim McFarland, Valeura's President and CEO. "The first well has been fracture stimulated and is being production tested. The second horizontal well is drilling. With success in this pioneering pilot, we anticipate drilling up to two follow-up horizontal wells in 2013 to further delineate and high-grade the formations and intervals most amenable for horizontal well development."

"In another new development, a laminated sand/shale play in the Mezardere Formation is also being pursued through a well re-completion and fracture stimulation program, which has added sales volumes already and has expanded our exploitation and development portfolio."

"We are also pleased that the fracture stimulation program in the Thrace Basin has been successful in offsetting natural production declines since the start of the year and achieving a modest turnaround in volumes, which helped to boost funds flow from operations by 12% in the second quarter compared to the first quarter."

OPERATIONAL HIGHLIGHTS

- Corporate petroleum and natural gas sales in the second quarter of 2013 averaged 862 barrels of oil equivalent per day ("**boe/d**") (net), which was ahead of sales in the first quarter of 2013 of 852 boe/d. Turkish net production in the second quarter averaged 815 boe/d, including 4.8 million cubic feet per day ("**MMcf/d**") of natural gas and 17 barrels of oil per day ("**bopd**") of crude oil. Canadian production averaged 47 boe/d.
- The exit rate for the quarter, as measured by corporate petroleum and natural gas sales in June 2013, was 913 boe/d.

Thrace Basin – TBNG-PTI Joint Venture Lands (Valeura 40%)

- Drilled the first well DTD-19H in a two-well horizontal drilling pilot in the Tekirdag area on joint venture lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (Valeura 40%). The well was drilled to a depth of approximately 1,100 metres into the Upper Kesan Formation with a horizontal section of 490 metres and was completed with a seven-stage frac. The well has been partially cleaned-out (frac balls, ball seats and sand) with available service rig equipment. The well is tied into the gathering system and has flowed up to 1.0 MMcf/d, likely from only a few of the fractured intervals, and continues to produce frac fluids. The operator plans to complete the clean-out of the well with a coiled tubing unit once it becomes available in early September to ensure all of the seven frac'd intervals are contributing to the flow.
- Spudded the second horizontal well BTD-4H on July 20, which is expected to be drilled with an 850 metre horizontal section in the Teslimkoy Formation at a depth of approximately 1,000 metres and completed with up to a 10-stage frac. Results from BTD-4H well are expected in early September.
- Initiated a new laminated sand/shale play in the Mezardere Formation in the Tekirdag area. In the second quarter, two existing wells ND-3 and TS-18 were re-completed in the Mezardere with relatively small one or two-stage fracs which yielded an aggregate initial seven-day on-stream rate of 2.1 MMcf/d (gross). The Corporation is encouraged that the same gross interval of 50 to 100 metres can be mapped over an extensive

area based on well control. More than 20 existing wells may be candidates for similar re-entry fracs in the future to delineate a potentially larger follow-on development program. This Mezardere interval is also a candidate for horizontal drilling.

- Acquired Licence 5151 (Valeura 40%) in May 2013, which encompasses lands previously relinquished in November 2012 at the end of the final exploration term (120,728 acres gross; 48,291 acres net). These are very prospective lands in the northern part of the joint venture area, which are partially covered by 3D seismic and hold a number of existing wells, including the Karanfiltepe-6 well drilled in 2012. This well was frac'd in the Lower Osmancik Formation in mid-July and yielded an initial seven-day on-stream rate of 2.3 MMcf/d.

Thrace Basin – Valeura 100% Lands

- Shot 93 kilometres of new 2D seismic in June 2013 on the 100% owned and operated Banarli Licence 5104 to complement more than 200 kilometres of vintage 2D seismic on this licence. Processing and interpretation of the new seismic should be completed by late August aimed at maturing a number of exploration leads.
- Acquired Licence 5147 (Valeura 100%) (20,668 gross acres) in July 2013 through a competitive licence application process. The licence is contiguous with the western part of the TBNG-PTI joint venture lands and is one of three licences the Corporation had applied for on a 100% basis in this area. Applications for the other two licences by Valeura and others remain under review by the government.

Anatolian Basin - Bostanci Licence

- Completed a 20 kilometre, six-line 2D seismic program over the Bostanci oil exploration prospect in Licence 4985 (Valeura 100%) in southeast Turkey. The new seismic provides coverage up to the Syrian and northern Iraq borders. The seismic is currently being processed and interpreted, which should be finalized by late August. The Corporation is continuing to pursue a potential farm-in partner to fund an exploratory well to meet the spudding requirement of mid-October 2013 under an extension period granted from the original spudding deadline of mid-June 2013.

Anatolian Basin – Other

- The Corporation is negotiating a potential farm-out arrangement for Licence 5052 (Valeura 100%) in the Karakilise area. A well must be spudded by mid-October 2013 to hold this licence under an extension period granted from the original spudding deadline of mid-June 2013.

FINANCIAL HIGHLIGHTS

- Funds flow from operations of \$1.8 million in the second quarter of 2013 was up 12% from \$1.6 million in the first quarter of 2013 due primarily to higher sales volumes and lower operating costs, partially offset by slightly lower natural gas price realizations in Turkey due to exchange fluctuations. Funds flow from operations in the second quarter of 2013 was down 47% from the second quarter of 2012 due to lower sales volumes, partially offset by an increase in Turkish natural gas prices. (See discussion below regarding non-IFRS measures).
- Capital expenditures in the second quarter of 2013 of \$6.3 million were down marginally from \$6.4 million in the first quarter of 2013. Capital expenditures in the second quarter of 2013 were down 41% from the second quarter of 2012 due primarily to a decrease in drilling expenditures.
- Natural gas price realizations in Turkey in the second quarter of 2013 averaged \$10.37 per thousand cubic feet ("Mcf"), which were down 3% from the first quarter of 2013 due primarily to a weakening of the Turkish Lira.
- The corporate average operating netback of \$41.16 per boe in the second quarter of 2013 was up 4% from \$39.54 per boe in the first quarter of 2013 due primarily to lower unit operating costs in Turkey. The corporate average netback in the second quarter of 2013 was up 4% from the same period in 2012 due primarily to higher Turkish natural gas prices, partially offset by higher unit operating costs. (See discussion below regarding non-IFRS measures).
- As at June 30, 2013, the Corporation had a working capital surplus of \$14.7 million, including cash and cash equivalents of \$16.7 million. This compares to a working capital surplus of \$19.5 million as at March 31, 2013.

- Additional financial and operating results are summarized in the Table 1 below.

Table 1 Financial Results Summary

(thousands of Canadian dollars, except share or per share amounts)	Three Months Ended June 30, 2013	Three Months Ended March 31, 2013	Six Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
Financial (CDN\$ except share and per share amounts)					
Petroleum and natural gas revenues	4,897	4,848	9,745	6,864	13,674
Funds flow from operations ⁽¹⁾	1,775	1,587	3,362	3,373	6,312
Net loss	(2,228)	(818)	(3,046)	(752)	(3,092)
Capital expenditures	6,303	6,445	12,748	10,693	19,381
Net working capital surplus	14,735	19,457	14,735	16,853	16,853
Cash and cash equivalents	16,743	22,758	16,743	18,338	18,338
Common shares outstanding					
Basic	57,906,135	57,906,135	57,906,135	46,406,135	46,406,135
Diluted	79,040,602	79,040,602	79,040,602	65,731,102	65,731,102
Share trading					
High	0.93	1.15	1.15	2.11	2.89
Low	0.40	0.86	0.40	1.18	1.18
Close	0.42	0.88	0.42	1.48	1.48
Operations					
Production					
Crude oil & NGLs (bbl/d)	48	53	51	73	66
Natural Gas (Mcf/d)	4,882	4,787	4,835	7,605	8,340
boe/d (@ 6:1) ⁽²⁾	862	851	856	1,340	1,456
Average reference price					
Edmonton light (\$ per bbl)	92.55	88.16	90.36	83.92	88.05
AECO (\$ per Mcf)	3.47	3.27	3.37	2.00	1.97
BOTAS Reference (\$ per Mcf) ⁽³⁾	11.21	11.37	11.29	10.20	9.34
Average realized price					
Crude oil (\$ per bbl)	80.55	74.76	77.54	75.19	81.03
Natural gas - Turkey (\$ per Mcf)	10.37	10.66	10.51	9.34	8.48
Natural gas - consolidated (\$ per Mcf)	10.24	10.43	10.33	9.20	8.37
Average Operating Netback (\$ per BOE @ 6:1) ⁽¹⁾⁽²⁾	41.16	39.54	40.35	39.72	36.18

Notes:

- (1) The above table includes non-IFRS measures, which may not be comparable to other companies. Funds flow from operations is calculated as net loss for the period adjusted for non-cash items in the statement of cash flows. Operating netback is calculated as petroleum and natural gas sales less royalties, production expenses and transportation costs. See MD&A for further discussion.
- (2) Barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf:1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the well head.
- (3) Boru Hatlari ile Petrol Tasima Anonim Sirketi ("BOTAS") owns and operates the national crude oil and natural gas pipeline grids in Turkey. BOTAS regularly posts prices and its Industrial Interruptible Tariff benchmark is shown herein as a reference price. See the 2012 Annual Information Form for further discussion.

NEW TURKISH PETROLEUM LAW

The Turkish government approved a new petroleum law on May 30, 2013 after several years of review and significant input from the oil and gas industry's member organization in Turkey, known as PETFORM, of which Valeura is a member. Valeura views the new law as positive for the industry.

A number of attractive features of the current Turkish fiscal and royalty regime were maintained, including: a 12.5% royalty rate on oil and gas production; provision to extend the term of an exploration licence up to 11 years from the initial term of five years (four years currently), provided a discovery is made by the end of the ninth year; and, provision to extend a production lease up to 40 years from an initial term of 20 years.

The most significant change in the new law is the consolidation of 18 onshore petroleum districts into a single district and the elimination of prior limits on land holdings in each district, which were set at approximately 1.0 million acres (net). In some areas such as the Thrace Basin, which was encompassed by a single district, this change may facilitate consolidation of operations and increased running room for the pursuit of unconventional plays.

Other changes include the elimination of the statutory district drilling obligation, which required that a well must be spudded within six months of the rig release of an earlier well, once the drilling program commenced on a new licence, irrespective of the size of the work program that was bid to win the licence. A modest bond of up to 2% of the work and investment program must be submitted to the government to secure a new onshore exploration licence and for each subsequent extension, which can be drawn down as work progresses. No bonds are currently required.

Terms for existing licence and leases are preserved until expiry, although some reconfiguration of area boundaries may be required upon an extension application to align coordinates with a new international grid system that has been adopted. Also, holders of existing exploration licences will have the option within the next year to convert to the new licence terms.

OUTLOOK

Since the start of 2013, the Corporation has been able to stabilize production and funds flow from operations as a result of a successful fracture stimulation program in tight gas sands in the Upper Kesan and Teslimkoy Formations in the Thrace Basin and in a new laminated sand/shale play in the Mezardere Formation. To the end of the second quarter of 2013, the Corporation has drilled three new vertical wells and fracture stimulated seven new and existing vertical wells (nine separate frac intervals) in the Thrace Basin on the TBNG-PTI joint venture lands, which have contributed new production additions to offset natural production declines. The Corporation expects horizontal drilling to have more impact given the scale-up of the fracture stimulation program to seven to ten stages per well in selected tight gas sand intervals in the Teslimkoy and Upper Kesan Formations, and potentially in the new laminated sand/shale play in the Mezardere Formation.

To date in 2013, the Corporation has invested approximately \$13 million (net) in Turkey and expects to invest up to \$25 million (net) for the full year, more than 70% of which is expected to be directed to the TBNG-PTI joint venture lands (Valeura 40%). In the second half of 2013, the Corporation plans to spud up to three horizontal wells (including BTD-4H) and to fracture stimulate up to 20 wells on the TBNG-PTI joint venture lands, to be funded from cash flow and existing cash.

Interpretation of the new 2D seismic on the new 100% owned and operated Banarli Licence in the Thrace Basin is expected to be completed by late August, which will guide the program on this licence. Under the licence terms, a well must be spudded by early March 2014. The Corporation is seeking a joint venture partner to accelerate the exploration program on this large 185 square mile exploration licence (equivalent to 185 sections of land).

In southeast Turkey, the Corporation is seeking farm-in partners to drill a licence-preserving well by mid-October 2013 in both the Bostanci Licence 4985 and Karakilise Licence 5052.

ABOUT THE CORPORATION

Valeura Energy Inc. is a Canada-based public company currently engaged in the exploration, development and production of petroleum and natural gas in Turkey and Western Canada.

OIL AND GAS ADVISORIES

When used herein, the term "boe" means barrels of oil equivalent on the basis of one boe being equal to one barrel of oil or NGLs, or 6,000 cubic feet of natural gas. Barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf:1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

The initial production rates for wells stated herein are not necessarily indicative of long term performance or ultimate recovery. To date, shallow gas conventional wells and frac'd unconventional tight gas wells have exhibited relatively high decline rates at more than 50% and 75%, respectively, in their first year of production.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements including, but not limited to: projected 2013 capital spending; plans for the tight gas delineation and development program in the Thrace Basin and the ability to finance development; anticipated work programs, budgets and operational plans, including targeted seismic, drilling, workovers, fracs and completions, the continued drilling of the horizontal wells to be completed with multi-stage fracs and the expected impact thereof, the attributes of those wells and the future development in the Thrace Basin, the potential for recompletions and a follow-on development program in the Mezardere formation, and the timing, costs and ability to fund each of the foregoing; and, the prospectivity of the Banarli Licence 5104 and other licences. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "target", "potential", "could", "should", "would" or similar words suggesting future outcomes. The Corporation cautions readers and prospective investors in the Corporation's securities to not place undue reliance on forward-looking information, as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Corporation.

Forward looking information is based on management's current expectations and assumptions regarding, among other things: continued political stability of the areas in which the Corporation is operating and completing transactions; continued operations of and approvals forthcoming from the GDPA in a manner consistent with past conduct; results of future seismic programs; future drilling, fracing and re-completion activity, including the extent and pace of tight gas delineation and development drilling in the Tekirdag area and the funding thereof; the ability to manage water production; future production rates and associated cash flow; future capital and other expenditures (including the amount and nature thereof); the ability to meet drilling deadlines and other requirements under licences and leases, including spudding deadlines under the Bostanci Licence 4985, Karakilise Licence 5052 and Banarli Licence 5104; the ability to attract partners and negotiate farm-in arrangements; future sources of funding; future economic conditions; future currency and exchange rates; the ability to safely operate on the Bostanci Licence; and, the Corporation's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, budgets are based upon the Corporation's current work programs proposed by partners and associated exploration plans and anticipated costs, which are subject to change based on, among other things, the actual results of drilling and related activity, availability of fracing and other specialized oilfield equipment and service providers, availability of deep capacity drilling rigs for potential drilling on the Bostanci and Banarli licences and unexpected delays and changes in market conditions. Although the Corporation believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

Forward-looking information involves significant known and unknown risks and uncertainties. Exploration, appraisal, and development of oil and natural gas reserves are speculative activities and involve a significant degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Corporation including, but not limited to: risks associated with the oil and gas industry (e.g. operational risks in exploration, inherent uncertainties in interpreting geological data, and changes in plans with respect to exploration or capital expenditures, the uncertainty of estimates and projections in relation to costs and expenses, and health, safety, and environmental risks); uncertainty regarding the sustainability of initial production rates and decline rates thereafter; uncertainty regarding the ability to address technical drilling challenges and manage water production; uncertainty regarding the state of capital markets and the availability of future financings; the risk of being unable to secure farm-in partners; the risk of being unable to meet drilling deadlines and the requirements under licences and leases (including Bostanci Licence 4985, Karakilise Licence 5052 and Banarli Licence 5104); the risks of disruption to operations and access to worksites, threats to security and safety of personnel and potential property damage related to political issues, land mines and unexploded munitions, terrorist attacks, insurgencies or civil unrest (particularly in the southeastern part of Turkey); the risks of increased costs and delays in timing related to protecting the safety and security of Valeura's personnel and property; the risk of commodity and BOTAS pricing and foreign exchange rate fluctuations; the uncertainty associated with negotiating with third parties in countries other than Canada; the risk of partners having different views on work programs and potential disputes among partners and service providers; the uncertainty regarding government and other approvals; potential changes in laws and regulations; risks associated with weather delays and natural disasters; and, the risk associated with international activity. The forward-looking information included in this news release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and Valeura assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law. See Valeura's 2012 Annual Information Form for a detailed discussion of the risk factors.

Additional information relating to Valeura is also available on SEDAR at www.sedar.com

For further information please contact:

Jim McFarland, President and CEO
Valeura Energy Inc.
(403) 930-1150
jmcfarland@valeuraenergy.com

Steve Bjornson, CFO
Valeura Energy Inc.
(403) 930-1151
sbjornson@valeuraenergy.com
www.valeuraenergy.com

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