Press Release – October 7, 2014

VALEURA ANNOUCES NEW DISCOVERIES IN TURKEY AND PROVIDES THIRD QUARTER 2014 OPERATIONAL UPDATE

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to announce three new discoveries in Turkey and to provide an operational update for the third quarter of 2014.

"We are very excited to announce the successful results from a new conventional natural gas exploration program on our TBNG JV lands (Valeura 40%) in the sparsely drilled Osmanli area," said Jim McFarland, President and Chief Executive Officer. "Three exploration wells have been drilled to date on new 3D seismic, all of which have discovered gas, which could potentially add 6 to 7 MMcf/d (gross) to productivity by late October when the wells are expected to be tied-in. Two additional firm exploration wells are planned in this program, one of which has been drilled to total depth and is logging. We expect these results to lead to a number of follow-on exploration, appraisal and development locations in the Osmanli area."

"One of the successful exploration wells at Gurgen-1 is only 500 metres from the boundary of Valeura's 100% owned Banarli licence and has assisted in identifying a number of Osmancik formation exploration prospects and leads on our acreage", said McFarland.

"The recent announcement by the Turkish government that natural gas reference prices will increase by 9% effective October 1, 2014 is also welcome news and is expected to move our average wellhead price realizations in Turkey to approximately $10.25 per Mcf in the fourth quarter," said McFarland.

THREE NEW CONVENTIONAL EXPLORATION WELLS DISCOVER GAS

The Corporation has made natural gas discoveries in the three new vertical exploration wells drilled in the third quarter on the joint venture lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (the "**TBNG JV**") (Valeura 40%) in the Osmanli area. These wells were drilled on new 3D seismic acquired in late 2013 and are part of a planned program of five firm exploration wells in the Osmanli area in 2014 targeting conventional natural gas in the Osmancik formation.

Gurgen-1

The most significant discovery was at the Gurgen-1 well, which was drilled in 14 days to a vertical depth of 2,100 metres into the Osmancik formation. Log analysis indicates approximately 47 metres of net pay with an average porosity of 17%. The well was cased, 12 metres of net pay was perforated as an initial completion and a short flow test was carried out at an initial rate of approximately 4.0 million cubic feet per day ("**MMcf/d**") (gross). The well is currently being tied-in with a 6" lateral to the closest sales line at a distance of 3.5 kilometres, which is expected to be completed in mid-October. The lateral has been sized to allow for potential additional drilling on this new discovery. The cost to drill and complete the well was approximately US$950,000 (gross). The tie-in cost is estimated at US$270,000 (gross).

The Gurgen-1 well is located approximately 500 metres south of the Corporation's Banarli licence (Valeura 100%) and the 3D seismic indicates that the Osmancik structure could extend into the Banarli licence and sets up a potential drillable prospect.

An appraisal well is expected to be drilled before year-end 2014 on the structure discovered by the Gurgen-1 well.

(Note that the initial test rates stated in this press release for the three new discoveries may not be indicative of stabilized on-stream production rates).

Tavanli-1

The Tavanli-1 exploration well was drilled in 12 days to a depth of 1,300 metres into the Osmancik formation. Log analysis indicates approximately 9 metres of net pay with an average porosity of 24%. The well was cased and completed and a short flow test was carried out at an initial rate of approximately 2.0 MMcf/d (gross).

The well is currently being tied-in to the gathering system and should be on-stream by the end of October. The cost to drill and complete the well was approximately US$660,000 (gross). The tie-in cost is estimated at US$150,000 (gross).

Biyikali-2 Sidetrack

The Biyikali-2 sidetrack exploration well was drilled in six days to a vertical depth of 900 metres into the Osmancik formation. Log analysis indicates approximately 5 metres of net pay with 24% average porosity. The well was cased and completed and a short flow test was carried out at an initial rate of approximately 1.5 MMcf/d (gross).

The well is being tied into the gathering system and should be on-stream by mid-October. The cost to drill and complete the sidetrack was approximately US$500,000 (gross). The tie-in cost is estimated at US$200,000 (gross).

Guney Osmanli-3

The Guney Osmanli-3 exploration well was spudded on September 29 and has been drilled to the planned depth of 1,080 metres into the Osmancik formation. The well is currently being logged.

Dogu Osmanli-1

The planned fifth exploration well in the current campaign at Dogu Osmanli-1 is expected to spud in late October with a target depth of approximately 2,000 metres. The well is designed to test the Osmancik formation in addition to a deeper interpreted slope channel sand in the Mezardere formation.

SIXTH HORIZONTAL WELL TDR-5H FRACKED AND ON-STREAM

The Corporation spudded its sixth horizontal well TDR-5H on July 28 on the TBNG JV lands. The well was drilled at a record pace in 12 days to a vertical depth of 992 metres into the Teslimkoy formation with a horizontal section of 569 metres and was subsequently completed with an 8-stage frac in late August. The cost to drill, complete, frac and tie-in the well was approximately US$2.45 million (gross).

The well is tied into the gathering system and over the initial 30 days following tie-in, flowed at an average rate of 1.3 MMcf/d (gross) ("**IP30**").

(Note that the initial on-stream production rates (IP30) stated throughout this press release are not necessarily indicative of long term performance or ultimate recovery and are subject to decline rates stated below).

TWO WELL RE-ENTRY FRACS AND SEVEN WORKOVERS COMPLETED

The Corporation completed two well re-entry fracs in the Teslimkoy formation at the DTD-7 and DTD-11 wells on the TBNG JV lands in the third quarter. The average per well IP30 rate was approximately 0.5 MMcf/d.

An additional seven shallow gas recompletion workovers were also carried out in the quarter.

NATURAL GAS REFERENCE PRICES IN TURKEY INCREASED BY 9% EFFECTIVE OCTOBER 1, 2014

The Turkish government has announced a 9% increase in domestic natural gas prices, priced in Turkish Lira ("**TL**"), effective October 1, 2014. The Corporation expects this increase to flow through to all of its natural gas sales contracts and increase its average natural gas price realizations in Turkey from approximately $9.64 per thousand cubic feet ("**Mcf**") in the third quarter to approximately $10.25 per Mcf in the fourth quarter at current currency exchange rates.

NET SALES IN TURKEY UP 3% IN Q3 2014 COMPARED TO Q3 2013

Net petroleum and natural gas sales in Turkey in the third quarter of 2014 averaged approximately 996 barrels of oil equivalent per day ("**boe/d**"), which was 3% higher than sales in Turkey in the third quarter of 2013. These sales included 5.9 MMcf/d of natural gas at an average wellhead price of $9.64 per Mcf and 7 barrels of oil per day.

Net petroleum and natural gas sales in Turkey in the first nine months of 2014 averaged 1,129 boe/d, which was up 32% from the same period in 2013.

The Corporation completed the sale of all of its small, non-strategic Canadian assets on August 19, 2014.

OUTLOOK

The Corporation has budgeted up to four additional drill wells to be spudded in the fourth quarter of 2014, including up to two vertical wells targeting conventional shallow gas in the Osmanli area and up to two horizontal wells in the Tekirdag area targeting tight gas. Of these four wells, one is firm (Dogu Osmanli-1) and the other three are contingent on partner approvals.

The Corporation is continuing to seek a joint venture partner to participate in funding an exploration program on the Banarli licence 5104 (Valeura 100%). The recent successful drilling results on the southern boundary of the Banarli licence may facilitate this process in terms of the prospectivity of both the shallow and deeper horizons at Banarli.

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.

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 test rates stated herein are preliminary in nature and may not be indicative of stabilized on-stream production rates. Also, the initial on-stream production rates (IP30) for wells stated herein are not necessarily indicative of long term performance or ultimate recovery. To date, shallow gas conventional wells and fracked 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: future price realizations in Turkey; the planned fourth quarter drilling program and well tie-ins for the tight gas and shallow gas development programs in the Thrace Basin; follow-on well locations in the Osmanli area and the potential extension of the Osmancik structure at the Gurgen-1 well into the Banarli licence; the extent of Osmancik prospects and leads on the Banarli licence; the ability to increase production and the associated corporate sales outlook; the availability of operating cash flow and the ability to finance development; the planned drilling of horizontal and vertical wells, well re-entry fracs and well recompletions and impact thereof; tieing-in the new wells and getting these on-stream; and the timing, estimated costs and ability to fund each of the foregoing. 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 General Directorate of Petroleum Affairs of the Republic of Turkey ("GDPA") in a manner consistent with past conduct; results of future seismic programs; future drilling, fracking 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 prospectivity of the Osmanli area and follow-on drilling locations; the prospectivity of the Banarli licence; future production rates, capital efficiencies and associated cash flow; future capital and other expenditures (including the amount and nature thereof); future sources of funding; future economic conditions; future currency and exchange rates; and, the Corporation's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, the

Corporation's 2014 work program and budget are based upon the current work programs proposed by partners and associated exploration, development and marketing plans and anticipated costs and sales prices, which are subject to change based on, among other things, the actual results of drilling and related activity, availability of fracking and other specialized oilfield equipment and service providers, 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; uncertainty regarding the ability to attract new partners and complete transactions with third parties; uncertainty regarding the amount of operating cash flow and the ability to reduce costs and achieve capital efficiencies; 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, terrorist attacks, insurgencies or civil unrest; 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 fluctuations in commodity pricing and BOTAS pricing (in Turkish Lira); the risk of fluctuations in foreign exchange rates, particularly the Turkish Lira, which has weakened in the past year; 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 2013 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

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