



Press Release – March 21, 2016

VALEURA ACHIEVES FIRST GAS FROM BANARLI

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to announce that it has achieved first natural gas sales from its first exploration well Bati Gurgun-1 on the 100% owned and operated Banarli licences in the Thrace Basin of Turkey. The well has been on on-stream for nine days and over this period has produced conventional natural gas from the Osmancik formation at an average restricted rate of approximately 3.0 million cubic feet per day on a 20/64 inch choke at a current flowing tubing pressure of 1,570 pounds per square inch. At this time, only 12 metres of net pay has been perforated in the well compared to the total aggregate net pay of 32 metres measured in the Osmancik and Danismen formations.

"We are delighted to reach the important milestone of first gas from Banarli, which has boosted our current sales in Turkey by more than 60%," said Jim McFarland, President and Chief Executive Officer. "We plan to produce the well at restricted rates in the near term and perforate additional pay as pressure and deliverability decline naturally."

"Natural gas prices continue to be strong in Turkey and we expect Banarli to attract sales price realizations of approximately \$8.85 per Mcf and an operating netback of more than \$40 per boe at current reference prices and exchange rates."

As previously announced on March 8, 2016, the Bati Gurgun-1 well was tied-in through a new 8-inch, 3.2 kilometre pipeline to an existing dehydration facility at the Gurgun-1 well (Valeura 40% working interest) on the adjacent joint venture lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (the "**TBNG-PTI JV**"). The pipeline has been sized to provide capacity for follow-up wells that could be drilled in the area.

Gas sales commenced from the Bati Gurgun-1 well on March 12, 2016. The gas is being sold to the TBNG-PTI JV, net of a transportation and marketing fee, and is being distributed to existing TBNG-PTI JV customers located north of Banarli. Valeura receives some benefit from this fee arrangement and the associated proceeds by virtue of its 40% working interest in the TBNG-PTI JV facilities.

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 ("**bbl**") of oil or NGLs, or six thousand cubic feet ("**Mcf**") of natural gas. Barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf to 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 wellhead.

The initial on-stream production rates disclosed in this news release are preliminary in nature and may not be indicative of stabilized on-stream production rates. Initial on-stream production rates are typically disclosed with reference to the number of days in which production is measured. Initial on-stream production rates 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. All natural gas rates and volumes are presented net of any load fluids.

Operating netback is a non-IFRS measure and is calculated as petroleum and natural gas sales less royalties, production expenses and transportation costs. (See Valeura's Q4 2015 MD&A for further discussion).

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements including, but not limited to: the ability to sustain initial on-stream production rates at the Bati Gurgun-1 well by perforating additional net pay measured in the well; and the ability to realize continued strong natural gas prices and operating netbacks in Turkey. 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; 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. 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: uncertainty regarding the ability to perforate additional pay in the Bati Gurgun-1 well and to drill follow-up wells in the area; the risk that pipeline capacity may not be available for any follow-up wells near the Bati Gurgun-1 well; the 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 availability of drilling rigs and equipment and the ability to address technical drilling challenges; uncertainty regarding the state of capital markets; uncertainty regarding the amount of operating cash flow; 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 in 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 fluctuations in commodity pricing and BOTAS reference prices (denominated in Turkish Lira); the risk of fluctuations in foreign exchange rates, particularly the Turkish Lira; the uncertainty associated with negotiating with third parties in countries other than Canada; 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 2015 AIF 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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