



Press Release – June 22, 2017

## VALEURA ANNOUNCES CLOSING OF THE SUBSEQUENT WEST THRACE DEEP RIGHTS SALE TO STATOIL AND OPERATIONAL UPDATE

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to announce the closing of a sale by an affiliate of Valeura of a 10% participating interest in the deep rights on its West Thrace lands in the Thrace Basin of Turkey to Statoil Banarli Turkey B.V. ("**Statoil**") for US\$3.0 million (\$4.0 million) (the "**Subsequent West Thrace Deep Rights Sale**"), following receipt of Turkish government approvals. These funds will be directed to Valeura's shallow gas drilling program in the Thrace Basin.

As a result of this sale transaction, Statoil increases its participating interest to 50% and Valeura retains a 31.5% participating interest in the deep formations below 2,500 metres on the West Thrace lands, which include two exploration licences F17-C and F18-D and three production leases 2926, 3659 and 3734-5122. Valeura also retains an 81.5% interest in the shallow formations. The West Thrace lands cover a gross area of 174,046 acres.

Closing of the Subsequent West Thrace Deep Rights Sale completes a series of four inter-linked and transformational transactions executed in 2016/2017 including: the US\$36 million Banarli farm-in agreement with Statoil; the US\$15 million sale of deep rights on the West Thrace lands to Statoil (two tranches of proceeds); the US\$20.7 million acquisition of Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**"); and the \$11 million (gross proceeds) underwritten private placement of subscription receipts. These transactions have reset the business and positioned the Corporation to move forward on a new growth plan focused on ramping-up shallow gas drilling to grow production, and exploring for a potential high impact, deep, basin-centered gas play in the Thrace Basin with its partner Statoil.

### OPERATIONAL UPDATE

#### *Banarli Deep Exploration Program*

The first deep exploration well, **Yamalik-1**, under Phase 1 of the Banarli farm-in agreement with its partner Statoil commenced drilling on May 13, 2017. Intermediate casing has been set at 2,609 metres. Coring operations are underway below 3,000 metres. The target total depth of the well is 4,000 metres with an expected timeline from spud to rig release of approximately 60 days.

The acquisition stage of the 3D seismic program under Phase 2 of the Banarli farm-in agreement commenced on June 18, 2017. Up to 500 square kilometres of 3D seismic is expected to be acquired before year-end 2017 covering most of the Banarli licences and part of the West Thrace lands.

#### *TBNG JV and Banarli Shallow Gas Drilling Program*

The second well in the 2017 shallow gas drilling program, **Dogu Kilavuzlu-2**, located on the TBNG JV lands at South Thrace (Valeura 81.5% participating interest) commenced drilling on May 22, 2017 and was drilled to a total depth of 1,260 metres and cased. The timeline from spud to rig release was nine days. The well was completed and flowed at approximately 0.5 million cubic feet per day from the Osmancik formation on a short two-hour confirmatory flow test, and is currently being tied-in with a 550 metre line to the existing gathering system. First gas is expected by early July. The estimated final cost to drill, complete and tie-in the well is on budget at \$1.2 million (US\$0.9 million).

The third well in the 2017 shallow gas drilling program, **Sariyer-1**, located on the TBNG JV lands at West Thrace (Valeura 81.5% participating interest) commenced drilling on June 7, 2017 and is currently drilling below 2,300 metres. Drilling of the **Sariyer-1** well and the earlier **Dogu Atakoy-3** well is expected to satisfy the 2017 drilling commitment on the West Thrace lands.

The next well in the program is expected to be at **Aydinkoy-1** located on the Banarli licences (Valeura 100% participating interest).

### 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

Well-flow test results disclosed in this news release represent short-term results, which may not necessarily be indicative of long-term well performance or ultimate hydrocarbon recovery therefrom. Full pressure transient and well test interpretation analyses have not been completed and as such the flow test results contained in this news release should be considered preliminary until such analyses have been completed.

### ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements and information (collectively referred to herein as "**forward-looking information**") including, but not limited to: the use of proceeds from the Subsequent West Thrace Deep Rights Sale; the Corporation's new growth plan; the target depth and timeline to drill the Yamalik-1 deep exploration well; the expected scope and timeline of the Banarli 3D seismic program; the timing of first gas from the Dogu Kilavuzlu-2 well; the estimated final cost to drill, complete and tie-in the Dogu Kilavuzlu-2 well; the next planned shallow gas drilling location at Aydinkoy-1; prospectivity of the shallow formations on the TBNG JV lands and Banarli licences; the satisfaction of the 2017 drilling commitment on the West Thrace lands; the availability of operating cash flow and the ability to finance development from existing cash and operating cash flow; tying-in new wells and getting these on-stream; the timing, estimated costs and ability to fund the planned 2017 shallow gas program; and, the potential for a basin-centered gas accumulation play. 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: political stability of the areas in which the Corporation is operating and completing transactions, and in particular the aftermath of the July 2016 failed coup attempt in Turkey and April 2017 constitutional referendum; continued safety of operations and ability to proceed in a timely manner; continued operations of and approvals forthcoming from the Turkish government in a manner consistent with past conduct; future seismic and drilling activity on the expected timelines; the prospectivity of the TBNG JV lands and Banarli licences, including the deep potential; the continued favourable pricing and operating netbacks in Turkey; future production rates and associated operating netbacks and cash flow; future sources of funding; future economic conditions; future currency exchange rates; the ability to meet drilling deadlines and other requirements under licences and leases; and, the continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, the Corporation's work programs and budgets are in part based upon expected agreement among joint venture 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 drilling, fracing and other specialized oilfield equipment and service providers, changes in partners' plans 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: the risks of currency fluctuations; changes in gas prices and netbacks in Turkey; uncertainty regarding the contemplated timelines for the shallow gas drilling program, Banarli 3D seismic acquisition and drilling of the Yamalik-1 well; 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; political stability in Turkey, including potential changes in Turkey's constitution, political leaders or parties or political turmoil; the uncertainty regarding government and other approvals; potential changes in laws and regulations; and, risks associated with weather delays and natural disasters. 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 2016 AIF for a detailed discussion of the risk factors.

Additional information relating to Valeura is also available on SEDAR at [www.sedar.com](http://www.sedar.com)

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

Steve Bjornson, CFO  
Valeura Energy Inc.  
(403) 930-1151  
[sbjornson@valeuraenergy.com](mailto:sbjornson@valeuraenergy.com)  
[www.valeuraenergy.com](http://www.valeuraenergy.com)

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