



Press Release – July 24, 2017

VALEURA ANNOUNCES RIG RELEASE FROM YAMALIK-1 WELL AND POSITIVE EVALUATION RESULTS

Valeura Energy Inc. ("Valeura" or the "Corporation") (TSX: VLE) is pleased to announce that the first deep exploration well, **Yamalik-1**, under Phase 1 of the Banarli farm-in agreement (the "**Banarli Farm-in**") with its partner Statoil Banarli Turkey B.V. ("**Statoil**"), has completed drilling and the drill rig has been released. The well was drilled to a total depth of 4,196 metres and has been cased and left in a state ready for completion and production testing. The estimated well cost at rig release is within budget. Under the Banarli Farm-in, Statoil is funding the drilling of Yamalik-1 on a 100% basis up to a cap of 110% of the budgeted cost.

Yamalik-1 was designed as the Corporation's first test of the deep, basin-centred gas potential in the Thrace Basin of northwest Turkey. The key objectives of this well were to prove the presence of reservoir rock, confirm that the encountered reservoirs are over-pressured, and to demonstrate that there are significant sections of the reservoirs which are gas-saturated. Encouraging gas shows were encountered while drilling the objective section and, based on the drilling data, the well is over-pressured below approximately 2,900 metres down to the total drilled depth of 4,196 metres. Interpretation of the extensive wireline logging data acquired in the objective section indicates the well has exceeded the criteria to proceed further with the completion and to test potential zones with hydraulic stimulation. As the Yamalik-1 well was drilled in an area with no structural closure, the over-pressures and the indicated pervasive gas saturation in the well are positive indicators of the potential for a basin-centred gas play in the Thrace Basin.

Valeura is currently working with Statoil to design the completion, multi-stage fracing and testing program. Further analysis of the Yamalik-1 well logs and 130 metres of new core data is in progress in order to finalize the design and cost estimate for the completion and testing. It is expected that the completion and testing program will commence late in the third quarter of 2017. Under the Banarli Farm-in, Statoil will pay 100% of the completion and testing program up to a cap of 110% of the agreed budget. Commerciality of the Yamalik-1 well will be determined after the completion and testing program.

After the testing of Yamalik-1 is complete, the Corporation anticipates having improved data to assess the extent of the resources in the tested formations. The Corporation will then work with its partner Statoil to determine potential future work programs for continued delineation of the basin-centered gas play.

In further advancement of the Banarli Farm-in, Statoil is proceeding with Phase 2 of the farm-in agreement, which comprises the acquisition of 3D seismic across the Banarli Farm-in lands and parts of the West Thrace lands not currently covered with 3D seismic. Shooting of the seismic has already commenced, with more than 76 square kilometres recorded to date out of a planned scope of approximately 500 square kilometres. The survey is expected to be completed by early in the fourth quarter of 2017 with Statoil funding 100% of the agreed budget of US\$10 million.

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.

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 design and costing of a completion and testing program for Yamalik-1; the expected timeline for the Yamalik-1 completion and testing program; the assessment of resources in the test formations; the potential for a basin-centered gas accumulation play and its extent; and the extent of the 3D seismic program and the expected timeline. 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; seismic and drilling activity on the expected timelines; the prospectivity of 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 Yamalik-1 completion and testing program and the 3D seismic program under the Banarli Farm-in; 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; counterparty risk; 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

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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