



**A GLOBAL ENERGY COMPANY FOCUSED
ON EXCEPTIONAL VALUE CREATION**

SITE VISIT 2018

Generating value from a world-class Basin-Centered Gas-Condensate Play

Introduction and HSSE

November 15, 2018

General Advisory

The information contained in this presentation does not purport to be all-inclusive or contain all information that readers may require. Prospective investors are encouraged to conduct their own analysis and review of Valeura Energy Inc. (“Valeura”, “VLE”, the “Corporation”, “us”, “our” or “we”) and of the information contained in this presentation. Without limitation, prospective investors should read the entire record of publicly filed documents relating to the Corporation, consider the advice of their financial, legal, accounting, tax and other professional advisors and such other factors they consider appropriate in investigating and analyzing the Corporation. An investor should rely only on the information provided by the Corporation and is not entitled to rely on parts of that information to the exclusion of others. The Corporation has not authorized anyone to provide investors with additional or different information, and any such information, including statements in media articles about Valeura, should not be relied upon. **In this presentation, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.**

An investment in the securities of Valeura is speculative and involves a high degree of risk that should be considered by potential investors. Valeura’s business is subject to the risks normally encountered in the oil and gas industry and, more specifically, in Turkey, and certain other risks that are associated with Valeura’s stage of development. An investment in the Corporation’s securities is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment.

Forward-looking Information

This presentation contains certain forward-looking statements and information (collectively “forward-looking information”) including, but not limited to: Valeura’s view that it has discovered a world-class unconventional gas play; the potential for a BCGA play in the Thrace Basin and unlocking potential shareholder value with respect thereto; the costs, timelines, objectives and focus for the deep drilling and BCGA appraisal program in 2018 and 2019; the requirements for establishing commercial success with respect to the BCGA play; the potential future BCGA development phases and the timing thereof; the testing of the Yamalik-1 and Hayrabolu-10 wells and the timing thereof; the drilling and testing of the Inanli-1, Dee Well (West Thrace) and Deep Well (Banarli) wells and the timing thereof; the drilling and testing of the Karanfiltepe-7 well and the timing thereof; management’s assessment of the economic conditions and market fundamentals in Turkey; management’s assessment of various oil and gas producing jurisdictions and related well economics; the Corporation’s existing gas infrastructure and the Turkish gas infrastructure; the Corporation’s ability to tie into the Turkish gas infrastructure and to enter into sales agreements with the regional distributor; the Corporation’s illustrative production profile with respect to the prospective resources attributable to the BCGA play; management’s assessment with respect to the BCGA drilling scale; expectations regarding drilling and completion costs for horizontal wells in Turkey; implied BCGA acreage valuation; Valeura’s commitment to safety and optimizing operational and administrative functions; Valeura’s business strategy and outlook; the ability to finance future developments; and the Corporation’s ability to convert proved plus probable reserves into production and prospective resources into contingent resources and/or reserves. 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.

Statements related to “reserves” and “prospective resources” are deemed forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the prospective resources can be profitably produced in the future. Specifically, forward-looking information contained herein regarding “prospective resources” may include estimated volumes of prospective resources and the ability to finance future development.

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 the 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 deep BCGA and shallow gas plays on the TBNG joint venture lands and Banarli licences; 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; the construction of new pipelines and other infrastructure and the timing thereof; 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 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 (continued)

Forward-looking information involves significant known and unknown risks and uncertainties. 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 and costs for the deep drilling evaluation in 2018 and 2019; 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 political leaders or parties or a resurgence of a coup or other political turmoil; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; risks associated with weather delays and natural disasters; the risk associated with international activity; and, uncertainty regarding the ability to fulfil the drilling commitment on the West Thrace lands. The forward-looking information included in this presentation 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 the Corporation's 2017 annual information form (the "2017 AIF") for a detailed discussion of the risk factors.

RESERVES LIFE: Reserves life is a measure of the volume of the Corporation's reserves divided by the annual average production.

NOTE REGARDING INDUSTRY METRICS: Boes, recycle ratios and reserve life are industry metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional information to evaluate the Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods and therefore such metrics should not be relied upon.

ANALOGOUS INFORMATION: Certain information in this presentation may constitute "analogous information" as defined in NI 51-101 with respect to the number of wells drilled, first year average production per well, initial production rates, EUR and production declines with respect to fields that have similar reservoir quality, depth, pressures and evidence of natural and stress induced fracturing to the Corporation's BCGA play. Management believes such information may be relevant to help demonstrate the potential of and the basis for Corporation's business plans and strategies with respect to its BCGA play. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Valeura and such information should not be construed as an estimate of future production levels, reserves or the actual characteristics and quality of the BCGA play.

USE OF UNRISKED ESTIMATES: The unrisks estimates of prospective resources referred to in this presentation have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the prospective resources will be discovered. See the 2017 AIF for details regarding risked estimates. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the prospective resources.

SHORT PRODUCTION TEST RATES: The short production test 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 has been measured. Initial on-stream production rates are not necessarily indicative of long-term performance or ultimate recovery. To date, Valeura's shallow gas conventional wells and fraced unconventional tight gas wells have exhibited relatively high decline rates at more than 50% and 75%, respectively, in their first year of production.

There is currently no long-term flow information for the deep, unconventional BCGA play discovered with Yamalik-1. While the same geological formations that are producing gas in the shallow are being targeted in the deep, unconventional play, they are in a different depth and pressure environment and the type curves are not expected to be indicative of Yamalik-1 future production, or any other future deep, unconventional well. A pressure transient analysis or well-test interpretation has not been carried out in respect of the production tests on the Yamalik-1 well. All natural gas rates and volumes are presented net of any load fluids.

NON-IFRS MEASURES: This presentation includes non-IFRS measures, which may not be comparable to other companies. Operating netback is calculated as petroleum and natural gas sales less royalties, production expenses and transportation costs.

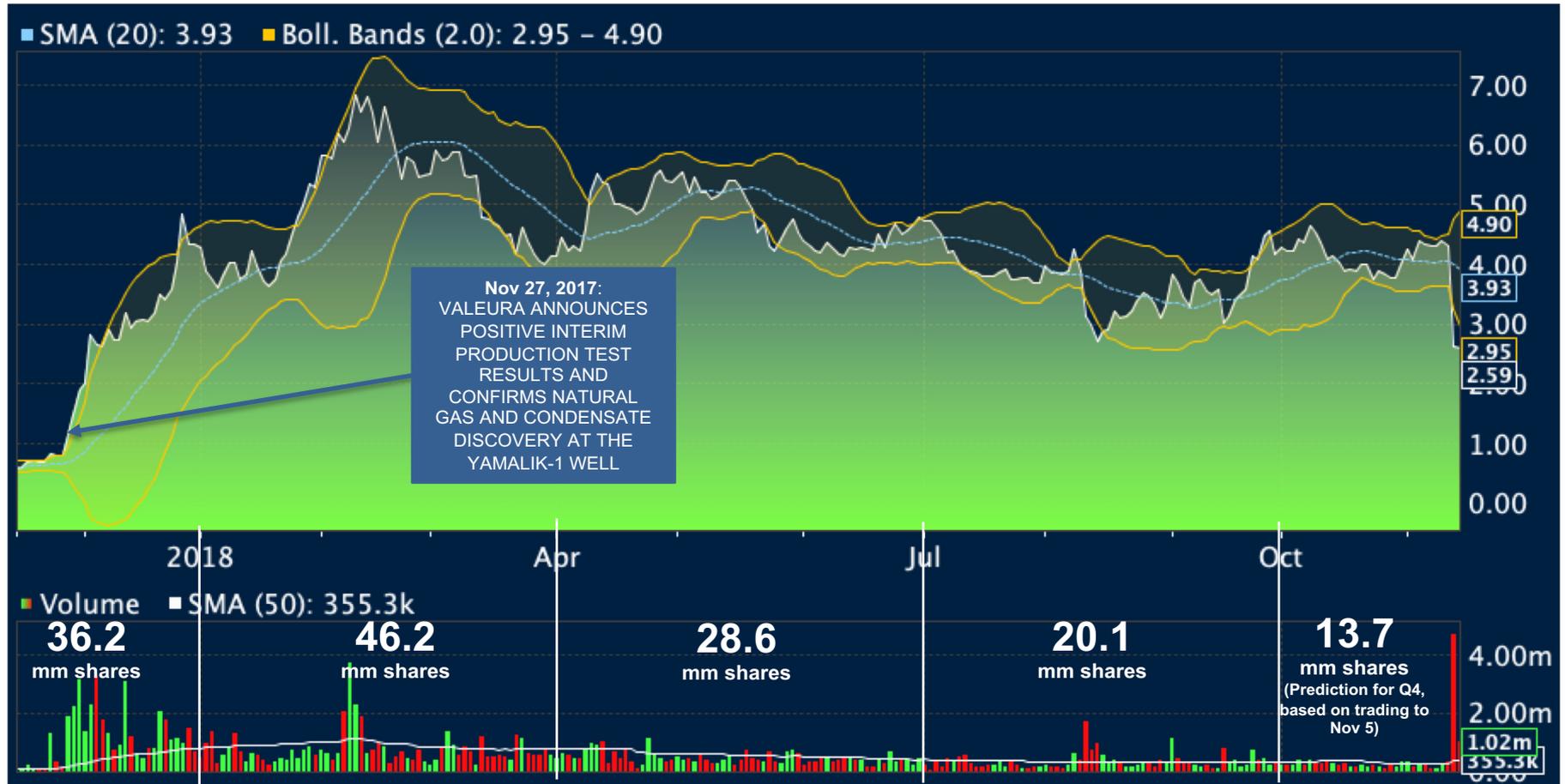
Agenda

Positioned to unlock shareholder value

| Item | Subject | Time |
|-------|---------------------------------------|---------------|
| 1 | Introduction and HSSEC | 9:30 – 9:50 |
| 2 | Turkey Business Environment | 9:50 – 10:15 |
| 3 | Gas Market and Pricing | 10:15 – 10:45 |
| Break | | 10:45 – 11:00 |
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Share Price Performance

Top Performing Canadian-listed Oil & Gas Company (“VLE”) - >350% return in 2017



Valeura Snapshot

Assets

| | |
|----------------------------------|---------------|
| Resource¹ | 10.1 Tcfe |
| 2P Reserves | 7.8 MM boe |
| Production² | 655 boe/d |
| Reserves Life | 21 years |
| Land (conv)³ | 373,589 acres |
| Land (unconv)³ | 255,663 acres |

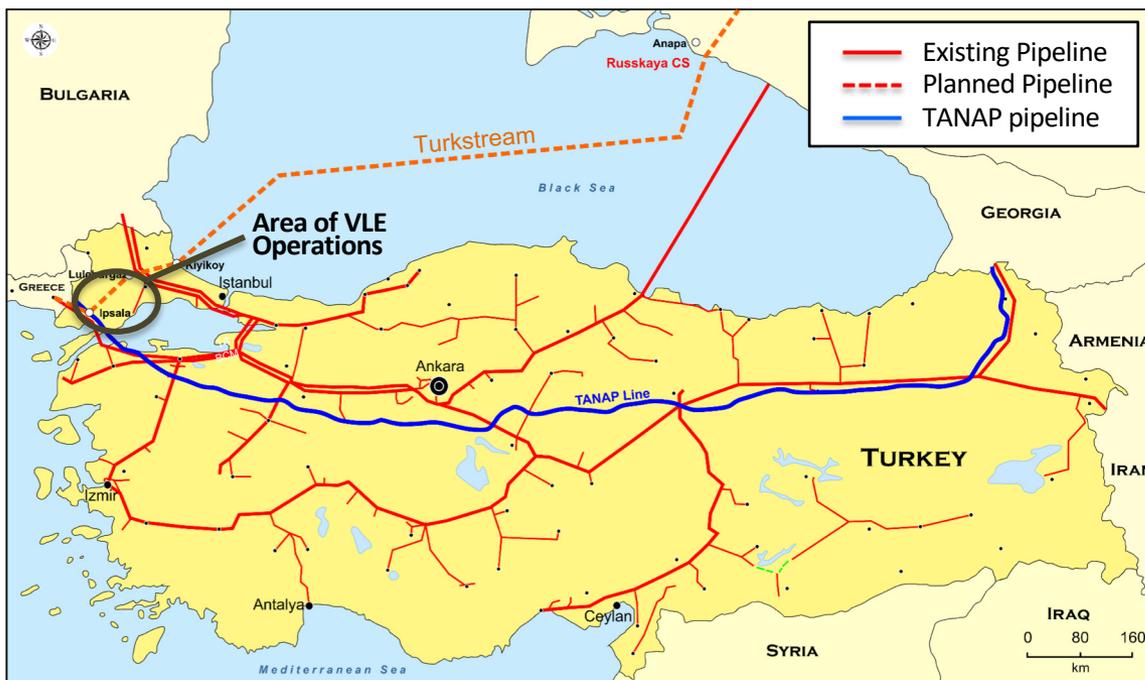
Infrastructure Valeura owns and operates all gas gathering facilities and sales contracts for its assets in Turkey.

Financials and Performance

| | |
|------------------------------------|-------------|
| Debt | nil |
| Working Capital² | \$56.3 MM |
| Gas price² | \$6.64/Mcf |
| Netback² | \$23.63/Boe |

Capital Structure

| | |
|--------------------------------|--------------|
| Shares o/s | 86.1 MM |
| Fully Diluted | 90.8 MM |
| Share Price⁴ | \$2.59/share |
| Market Cap⁴ | \$223 MM |



1. Valeura working interest, unrisks recoverable natural gas prospective resource. See "Reader Advisories"
2. From Q3 2018 financial reports. See "Reader Advisories"
3. Net acreage updated to reflect relinquishment of certain non-prospective lands in June 2018.
4. Based on closing price November 14, 2018.

Value of the gas discovery is not reflected in share price

Compelling Investment

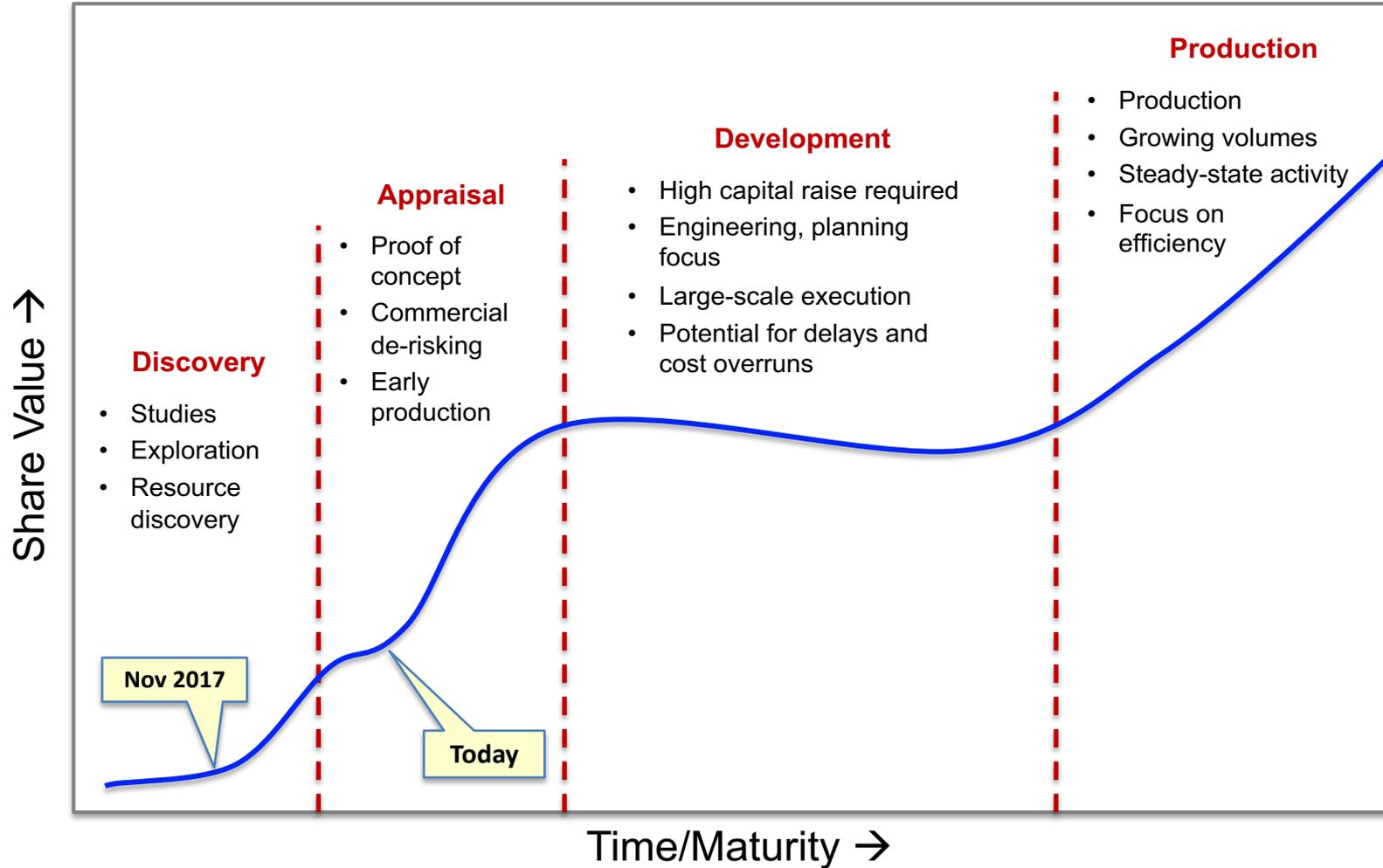
- Top-performing TSX oil & gas stock in 2017
 - Validated world class BCGA by discovering high-pressure gas over ~1,300m vertical section and well TD'd still in gas pay
 - Fraced and flowed gas from 4 production tests over >800m of vertical section - aggregate 24 hr production test result of 2.9 MMcf/d⁽²⁾
 - Gas contained significant condensate: 20 - 70 bbl/MMcf⁽²⁾
- Continued to deliver in 2018 and built solid foundation
 - D&M external report assigned 10.1 Tcf Prospective Resource gas^{(1),(2)}
 - 5.2 Tcf risked Prospective Gas Resource, incl. 165 MMbbl condensate⁽¹⁾
 - Bought deal financing of C\$60 million (gross)
- Near-term potential for another value increase. Fully funded delineation drilling starts mid-2018 to:
 1. Prove the BCGA is pervasive and maximum depth of the play,
 2. Demonstrate commercial gas production from the BCGA, and
 3. Convert Prospective Resource to Contingent Resource and Reserves
- Positive cash flow from its 81.5% ownership, operated conventional gas production
- Predictable and active newsflow for next 12 months



- World-class gas resource discovery
- Excellent fiscal terms and high gas prices
- Clean balance sheet
- World-class partner with Equinor (Statoil)

Discovery - Value S-Curve

Typical value-add timeline



HSSEC Issues - Health, Safety, Security, Environment & Community

- **Health:**
 - No health issues specific to the area
 - Good medical services and emergency services in the region
 - Medic and Ambulance on site during drilling and completion operations
- **Safety:**
 - Turkish Safety Culture requires attention and dedicated efforts
 - Road safety and trucking standards are our highest risks
 - Operating to Canadian Oilfield standards with a full HSSEC Management System implemented
- **Security**
 - Low security area, security on location to control access only
 - Local operations experience minor theft
- **Environmental**
 - Turkey has an evolving environmental policy
 - Approvals are obtained with proper application preparation and good practice
 - Reporting aspects are reasonable and relatively minor
- **Community**
 - Local community is receptive to oil and gas exploration and are not a barrier to operations
 - A Grievance Procedure is in place to deal with community concerns
 - We have a stakeholder process in place with Equinor involvement

Safety Focus and Performance

Current Focus Areas are:

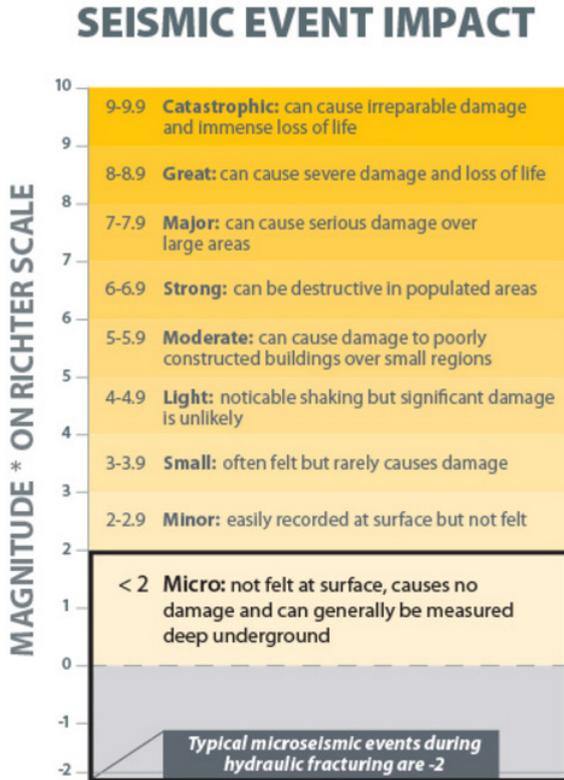
- Safe start-up of deep operations (high pressure drilling and completions)
- Trucking Safety (All injuries recorded in 2018 were truck drivers unloading on location)
- Journey Management
- Equipment standards
- Fluid Management and disposal
- High Pressure and High Temperature operating procedures

Safety Performance Statistics:

| | 2017 | 2018 |
|----------------------------------|------|------|
| Lost Time Incident Rate * | 0.39 | 0 |
| Total Recordable Incident Rate * | 1.55 | 0 |

* Incident rate is calculated per 200,000 work hours

Fracing in Thrace Basin



*Each whole number increase on the Richters scale represents 32 times more energy release and 10 times more ground motion.

2012-2017

- 41 wells have been drilled, including four wells deeper than 3,000m: Baglik-1 (TD 3,594m), Kayi Derin-1 (TD 3,754m), Kazanci-5 (TD 3,253m) and Hayrabolu-10 (TD 4,054m)
- Vertical Wells - 58 re-entry fracs and 27 new drill fracs performed
- Horizontal Wells - 6 wells drilled and 22 multistage fracs

2017

- Valeura installed grid of seismometers to monitor drilling and hydraulic fracturing operations
- Engaged independent group from Bristol University to monitor regional grid and our local seismic grid
- Engaged Tubitak (Turkish government scientific body) for independent monitoring and study

2018/2019

- Proactively monitoring seismicity before, during and after operations
- Investigating “Fox Creek, Alberta” traffic light system and active monitoring during fracing, as appropriate

Thrace Basin Earthquakes

Earthquake Data

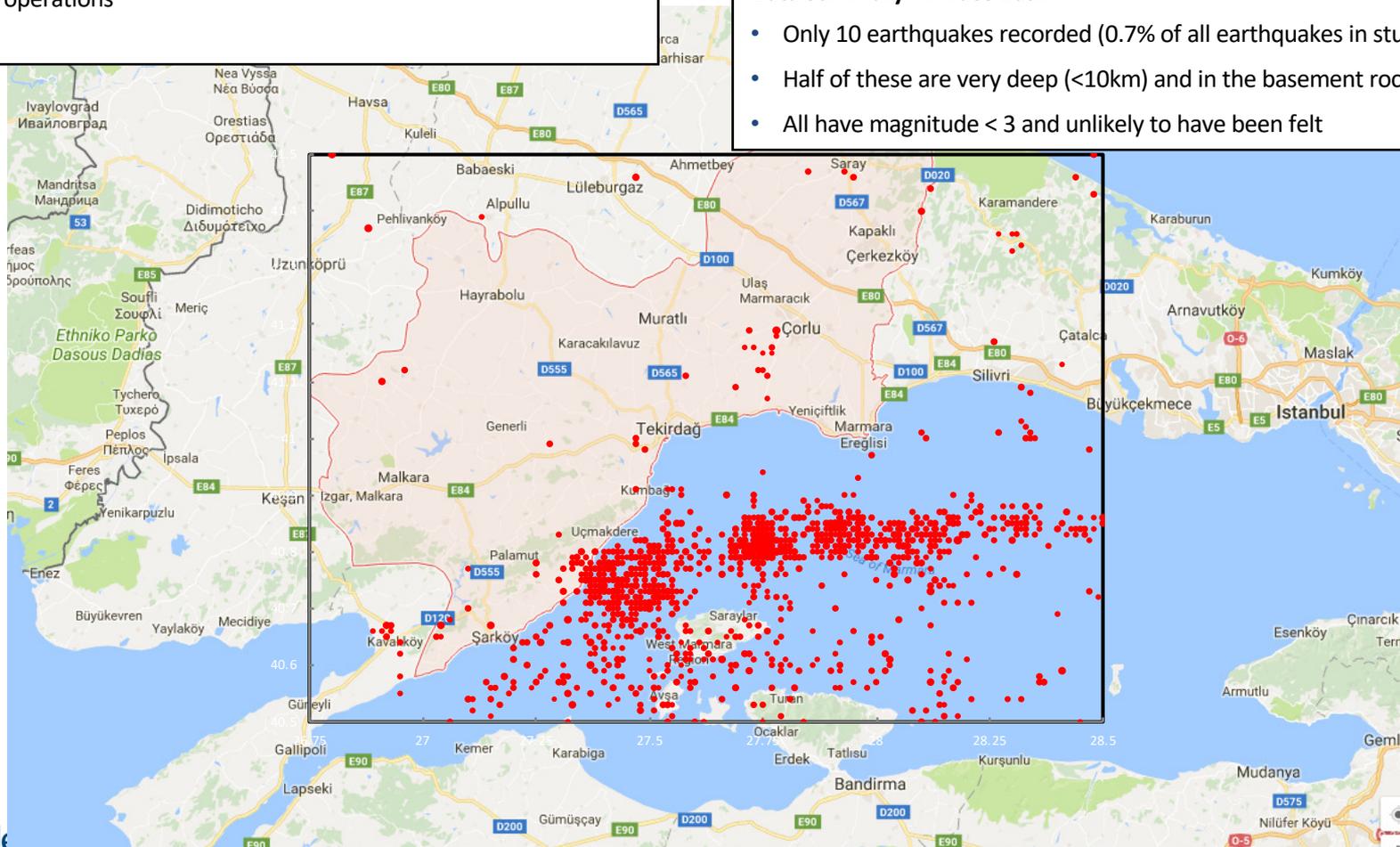
- All earthquake data are from the European Mediterranean Seismology Center (EMSC) in Strasbourg (NGO)
- Data include all earthquakes from October 2004 to mid 2017
- Study area is ~25,000km² - ~ 100km around Valeura operations

Data Summary – Full Area

- 1326 earthquakes recorded – majority on N. Anatolian fault
- Only 145 are magnitude >3 and very unlikely to have been felt by people
- Only 1 magnitude > 5 – very west corner on N. Anatolian fault

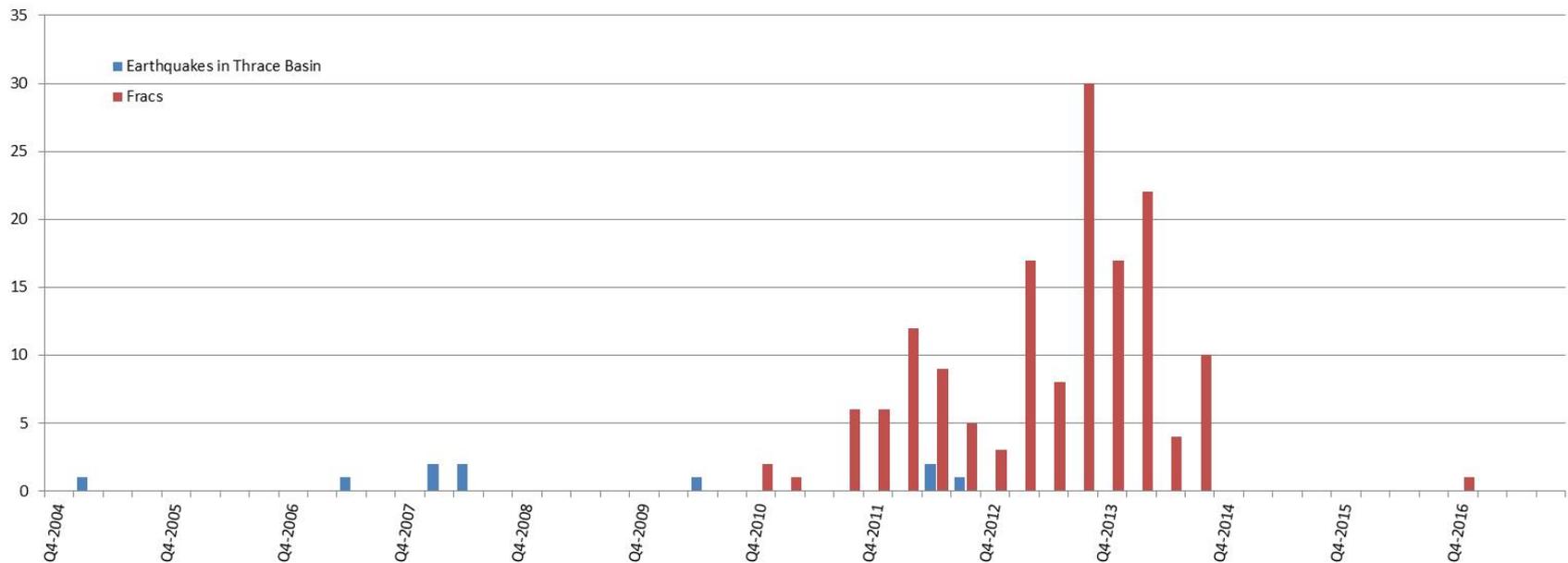
Data Summary - Thrace Basin

- Only 10 earthquakes recorded (0.7% of all earthquakes in study)
- Half of these are very deep (<10km) and in the basement rock
- All have magnitude < 3 and unlikely to have been felt



Historic Fracing and Earthquake Study

- **TBNG completed ~ 100 fracs, mostly in the period 2011-2014**
 - Note that fracs are generally magnitude -2 (1/10,000 strength of a magnitude 3), and affect an area within ~100(s) metres of the well bore
 - Majority of fracs in the Tekirdag Field or the Hayrabolu Area
- **Chart below shows the timing of fracing and Earthquakes in the Thace Basin**
 - There of been no earthquakes in Thrace in past 5 years.
 - There appears to be no link between fracing and earthquake occurrence in the Thrace Basin
- **Study and data have been provided to Tubitak (Turkish government scientific body)**





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Turkey Business Environment

November 15, 2018

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Turkey Overview

General Country Information, 2017

- **Population : 80 Million**
- **Average Age 31.1 Men 32.4 Women**
- **GDP: 851 Billion USD**
- **GDP Per Capita: 10,602 USD**

Turkey - Excellent Country for Oil and Gas Business

Favorable Macro Environment

- Growing Economy
- Significant manufacturing sector, well-developed trading relationships
- Strong market for more gas
- Economy is reliant on capital inflows: Government encouraging foreign investment
- Government Strategy to be an Energy Hub

Excellent Oil and Gas Investment Climate

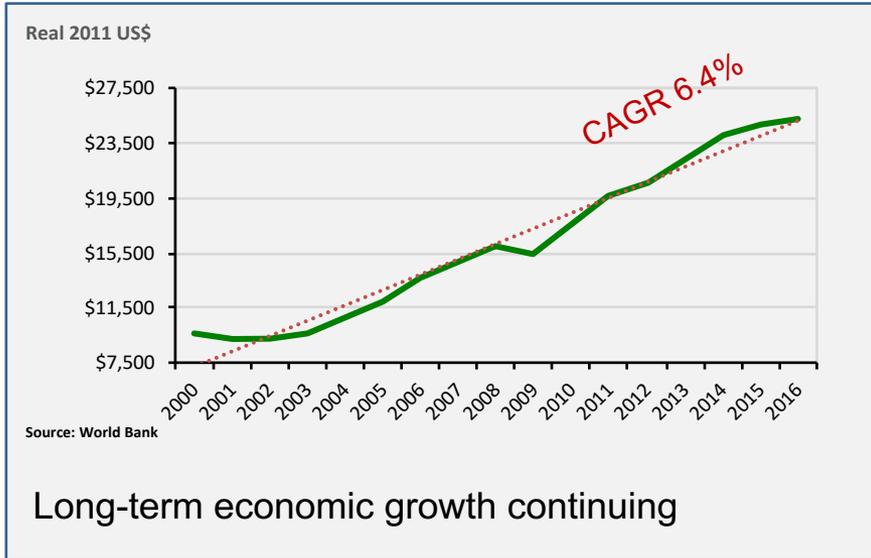
- Stable, favourable fiscal terms: 12.5% royalty and 22% corporate tax
- Ability to operate, including fracking, under a regulated system
- Long history of oil and gas production (including Thrace basin, 50 yrs) and foreign investment in sector
- Premium gas prices ~\$7.50/mcf
- Pricing generally tracks European indexes
- Simple and transparent fiscal regime

Access to Infrastructure

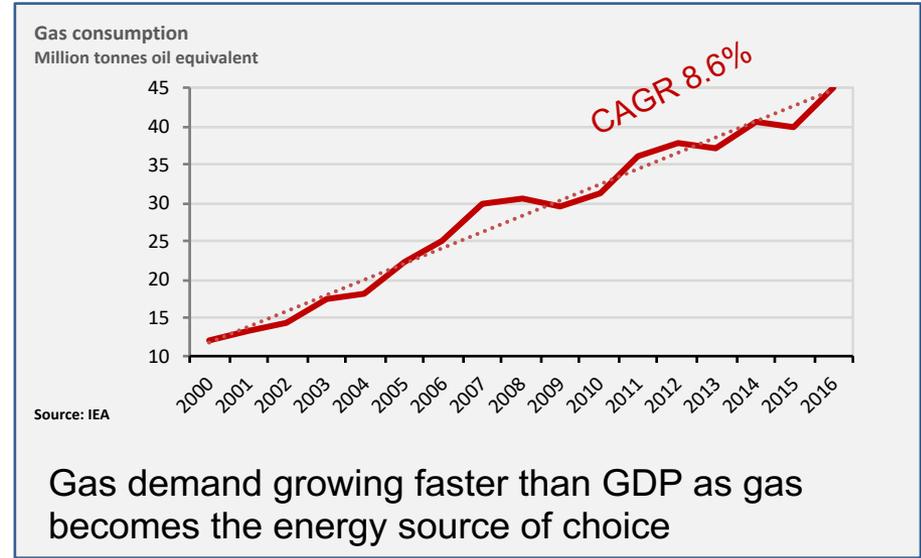
- Turkey's strategy is to be an "energy hub"
- Valeura-owned infrastructure for gathering and processing
- Physical and commercial links directly to customers, including actively building pipelines
- Expansion through tie-in to existing and under construction pipelines

Strong Market Fundamentals

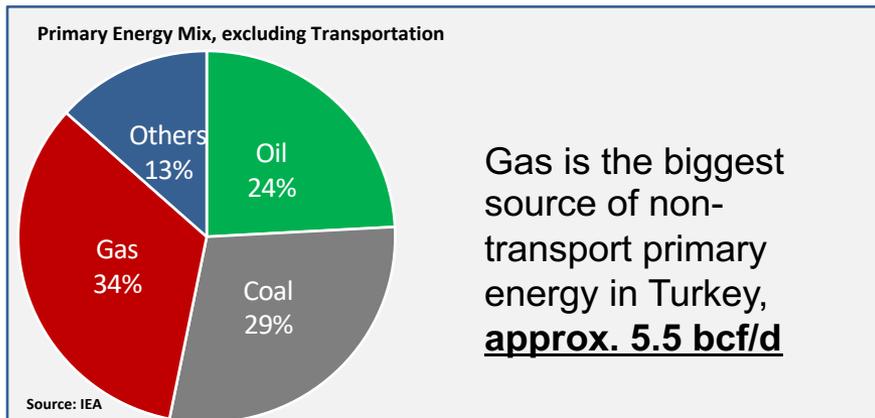
Turkey's economy is growing



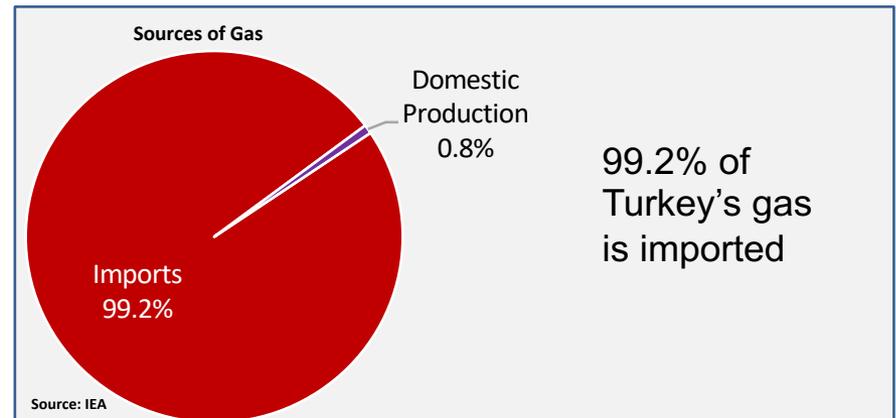
Gas demand mirrors GDP growth



Heavily reliant on gas

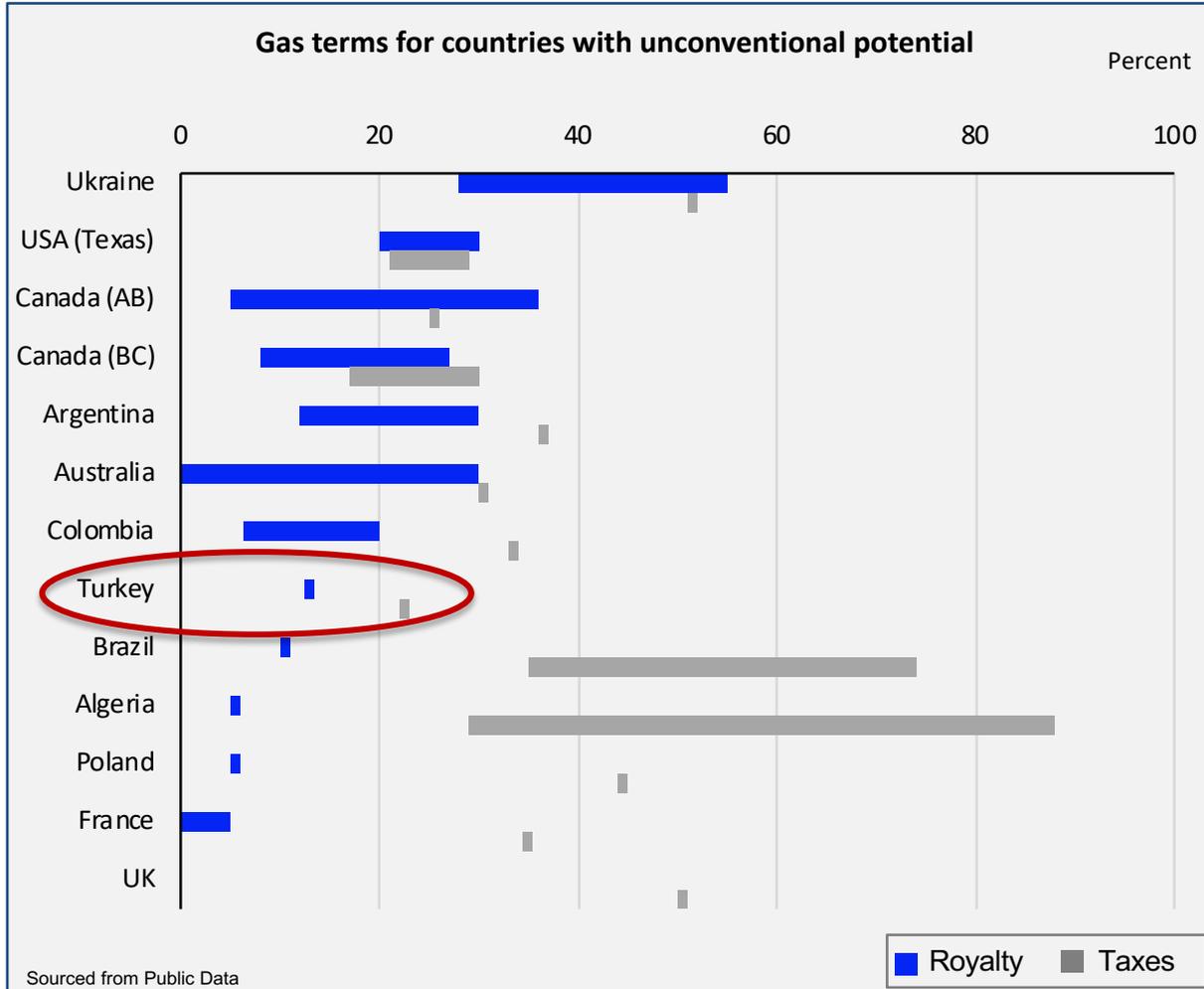


All Gas is imported



Globally Competitive Fiscal Terms

Comparative Fiscal Take

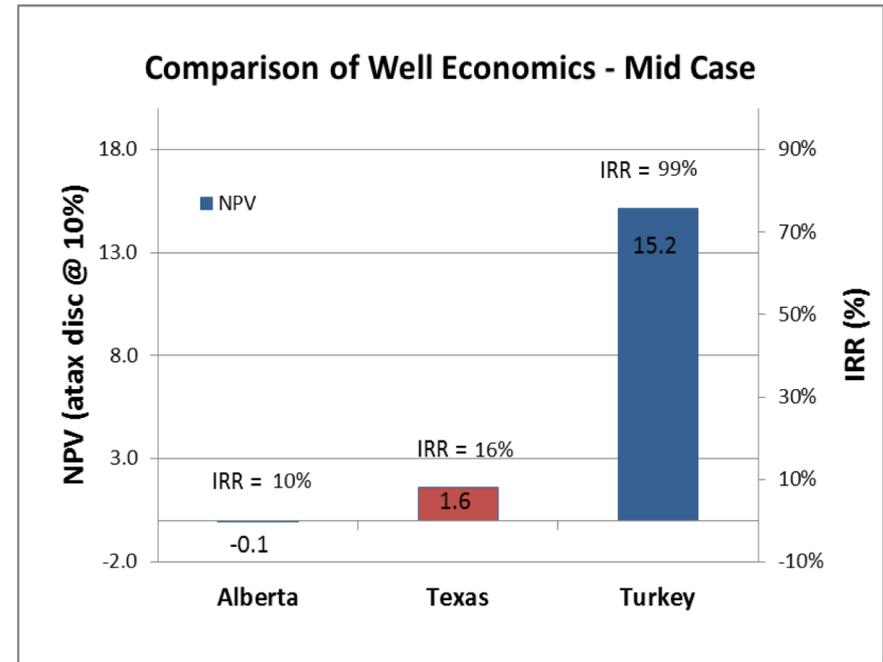


A fiscal “sweet spot”

- Simple and transparent system
 - Royalties and taxes only (12.5% and 22%, respectively)
 - No sliding scales, rate-of-return factors, or multiple layers of taxes
- Jurisdictions with lower royalties have much higher combined taxes
- Additional favorable characteristics
 - Right to produce (and generate cashflow) during exploration phase of license, including long-term testing
 - Can convert 100% of the area of a Exploration License to a Production Lease
 - No export duties

Fiscal Term & Gas Price Comparison¹

- **Assumes an identical horizontal well**
 - Capital cost of US\$9 million
 - Generic unconventional production profile with a recovery of 7.7 Bcfe
- **Fiscal terms & prices varied for each region**
- **Higher value in Turkey driven by gas prices which are more than double prices in North America**
 - Allows for much higher value for typical NA well results; or
 - Yields positive economic results from lower production and reserves

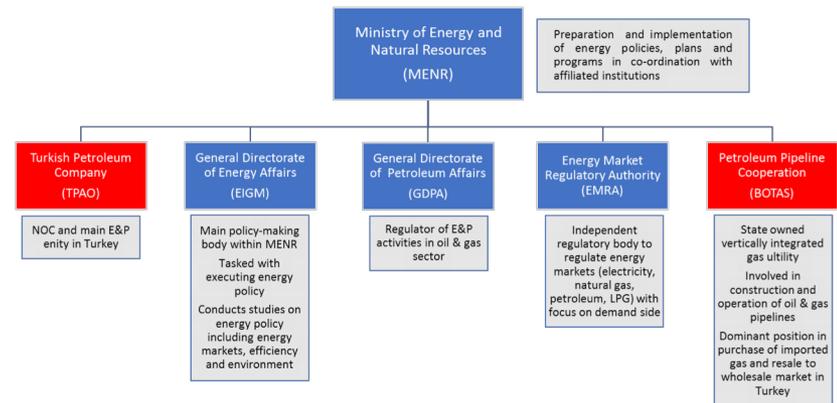
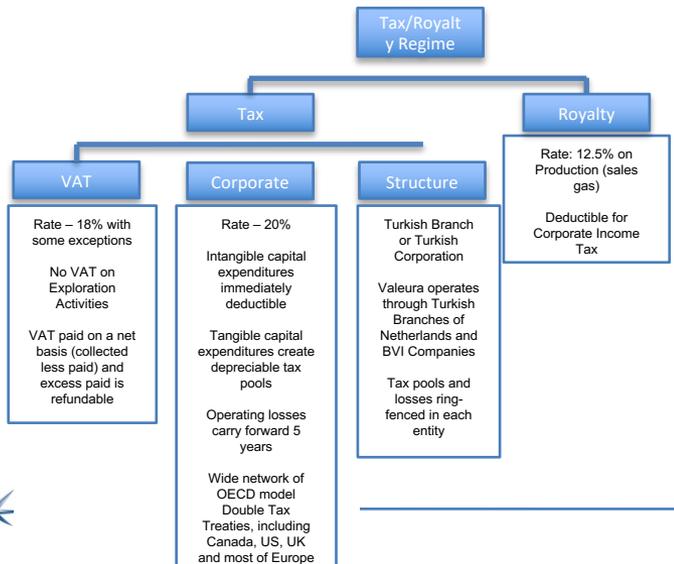


¹ Company estimates

Petroleum Law

Licensing Regime Under New Petroleum Law (May 30, 2013) and Regulations (January 21, 2014)

- Companies will be required to post a 2% bond on licence work program (on each term of licence) which may be returned to company upon completion of each year's work program
- Initial term for new licences will be five years and may be subsequently extended for up to two, 2-year terms (total of 9 years). If a discovery is made by the end of the ninth year, the licence may be extended for a further two years (new petroleum law maintains an 11 year exploration licence period). All licenses (and production leases) are aligned to a new international grid system.
- Production leases have an initial term of up to 20 years and the term is determined by GDPA as a reflection of reserves life. Production leases may be extended twice for a term of up to 10 years per extension



Government Agencies

Energy Ministry (Mr.Fatih Dönmez)

- Minister is a 15-year industry veteran
- 3 Deputy Ministers have sector experience
- Progressive Long Term Targets:
 - Liberalize Natural Gas/ Electricity Mkt
 - Become Regional Natural Gas Hub between ME/Rusia/CIS/Europe
 - Active on E/P
 - Explore all options to become an energy self-sufficient country (renewable/coal)

General Directorate of Petroleum Affairs (GDPA)

- Under the Energy Ministry
- Regulator for upstream activities
- Exploration/Production Licences
- Operational Approvals of all stages
- Approval of imported equipment (exemptions for custom tax, VAT etc.)

Ministry of Environment

(Branch office in Tekirdag)

Mandate includes:

- Approval of Drilling/ production locations
- Providing instruction on proper discharge of frac water / production water
- Monitoring drinking water, cultural heritage and forests

Ministry of Agriculture

(Branch office in Tekirdag)

Mandate includes:

- Approval of agricultural land for use by industry
- Coordination with local Agriculture Committee
- Companies + GDPA + Energy Ministry working to shorten approval period, currently c. 6 months

Governor of Tekirdag

All Branches of Ministries are under the Governor:

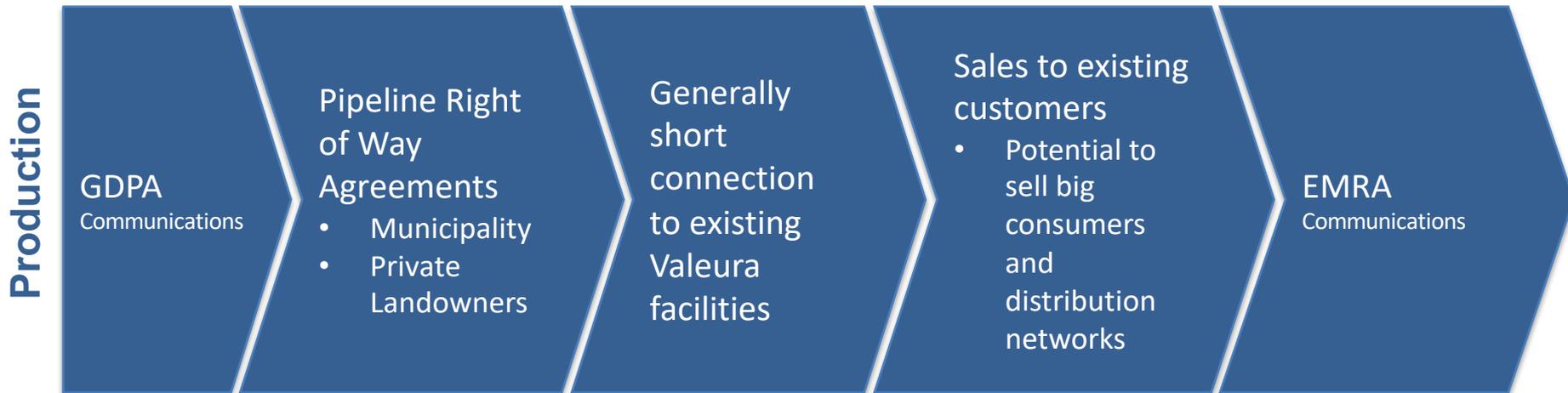
- Functions like a coordinator but also chairs committees
- Important contact point of Government (Government Lands/ Police/ Gendarme)
- Smaller Authorities like Kaymakam (district governor) and Muhtar (village) reports to Governor

Independent Market Regulator

Energy Market Regulatory Authority (EMRA)

- **Independent Authority**
- **Wholesale/ Distribution Licences**
- **Activity regarding buy (import)/sell natural gas**
- **Pipeline / Storage**
- **Consumers / Tariff**

Approval Processes / Workflows



Key Players in Turkey's Natural Gas Market

- Main player is Boru Hatalari ile Petrol Tasima Anonim Sirketi (BOTAS), a State-owned Company
- Natural Gas Imports:
 - BOTAS 80%
 - 8 Private Companies 20% (each less than 5%)
- Government is trying to reduce BOTAS share to less than 50% to have fully liberalized market.
- Due to its supply share BOTAS's price is the reference price in natural gas market
- Local production is less than 1%
- Almost 15 million natural gas subscribers connected to Distribution networks

Gas Sales Considerations

- TBNG (acquired by Valeura in 2017) has a grandfathered right to sell directly to 63 customers via its network.
 - Sales are done upon current agreements with customers with an agreed rate referencing BOTAS price (usually a 2-3% discount).
 - Consumption rates vary, so does the industries of customers, but most of them are textile companies.
 - There are also electricity producers, brick factories, etc.
- If connected to BOTAS network (National transmission network), produced gas can be sold to any “free customer” within Turkish borders via Valeura’s wholesale licenses.



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Gas Market and Pricing

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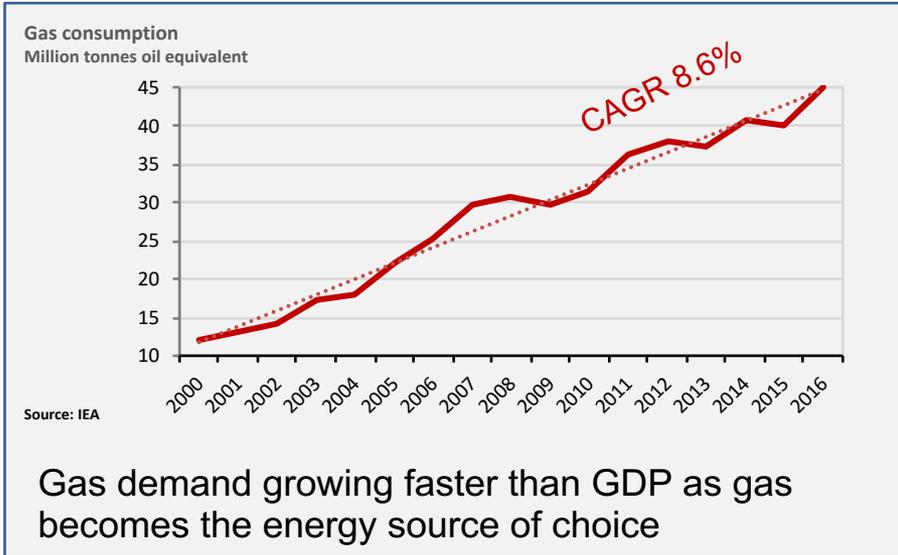
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Strong Gas Market Fundamentals

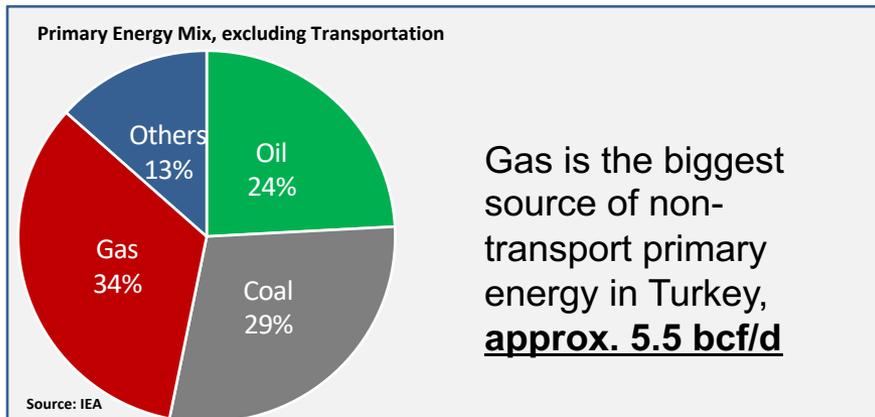
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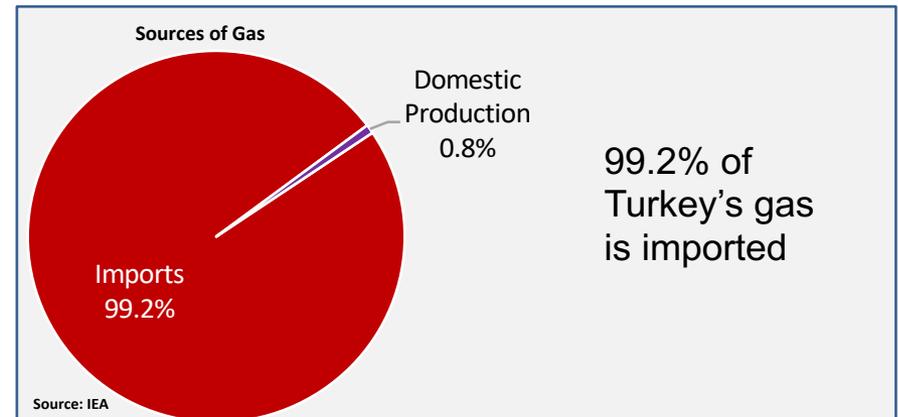
Import Sources (2017)

- Imports increased ~ 20% in 2017
- Sources
 - Russia 52%
 - Iran 17%
 - Azerbaijan 12%
 - Algeria (LNG) 8%
 - Nigeria (LNG) 4%
 - Others 7%
- **2018 Government pushing to reduce imports**
 - Increases from Azerbaijan
 - Decreases from Russia and Iran

Heavily reliant on gas



All Gas is imported



Turkey an East-West Energy Transit

- Turkey's Strategy is to be an "Energy Hub" between Gas Supply to the East and Gas Demand to the west (Europe)
- Currently building import pipelines and capacity that will exceed domestic demand projections



Gas Infrastructure Supports Growth

Leverage infrastructure for early cash flow and long-term testing of the BCGA

Tier 1 – Production while Exploring and Appraising

- 50 mmcf/d
- Utilize Valeura's extensive gathering system

Tier 2 – Increased Production during early project development

- Sell to existing regional gas distributor
- Incremental 75-150 mmcf/d

Tier 3 – Major new project to produce multi-Tcf of gas

Turkish Domestic Market

- Main import lines few 10s km north currently transporting ~ 1.5 bcf/d

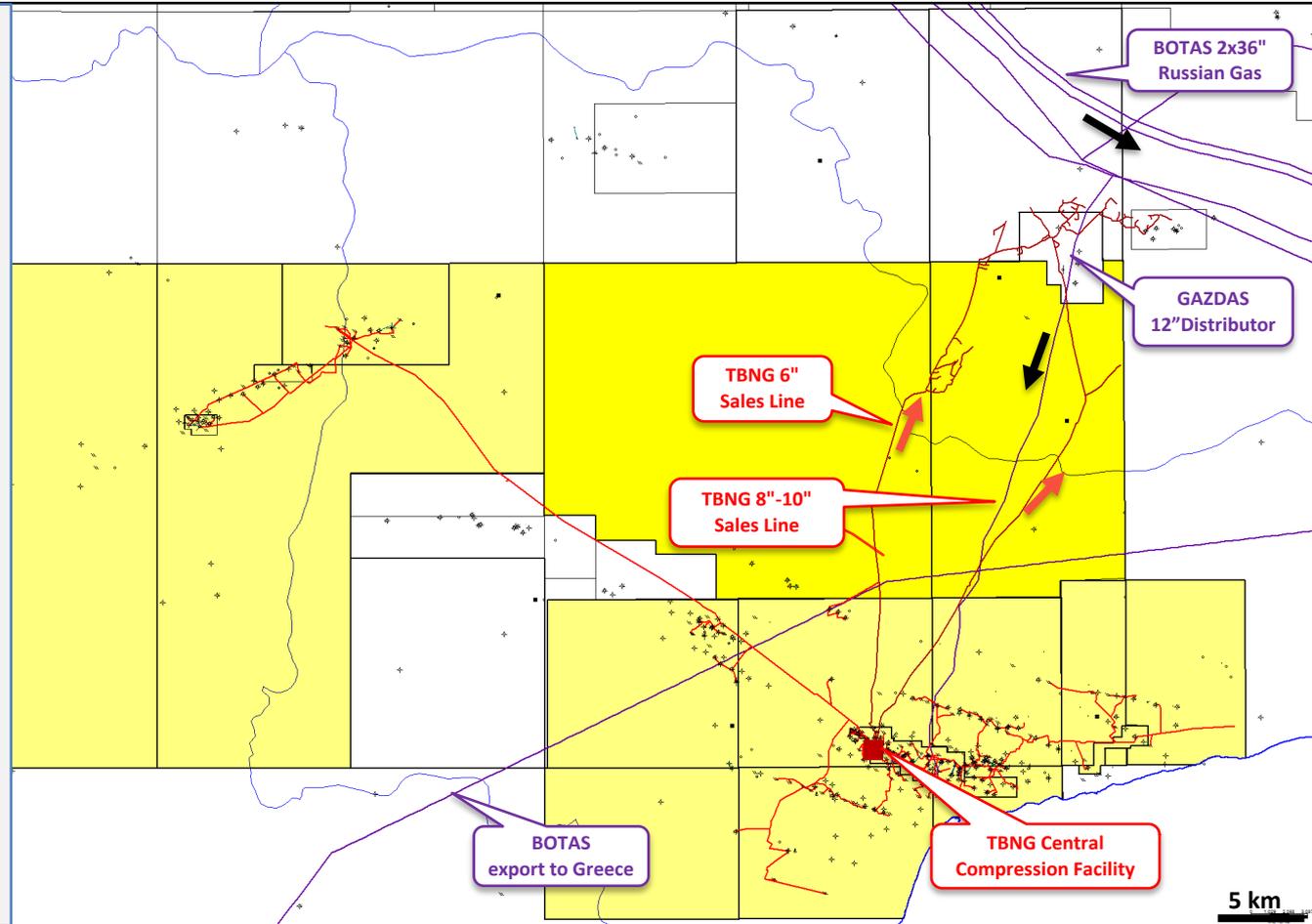
Export Lines

- Existing BOTAS export line to Greece
- TANAP export line commissioning in 2018 - ~ 1.5 bcf /d with expansion plans to ~ 3 bcf/d

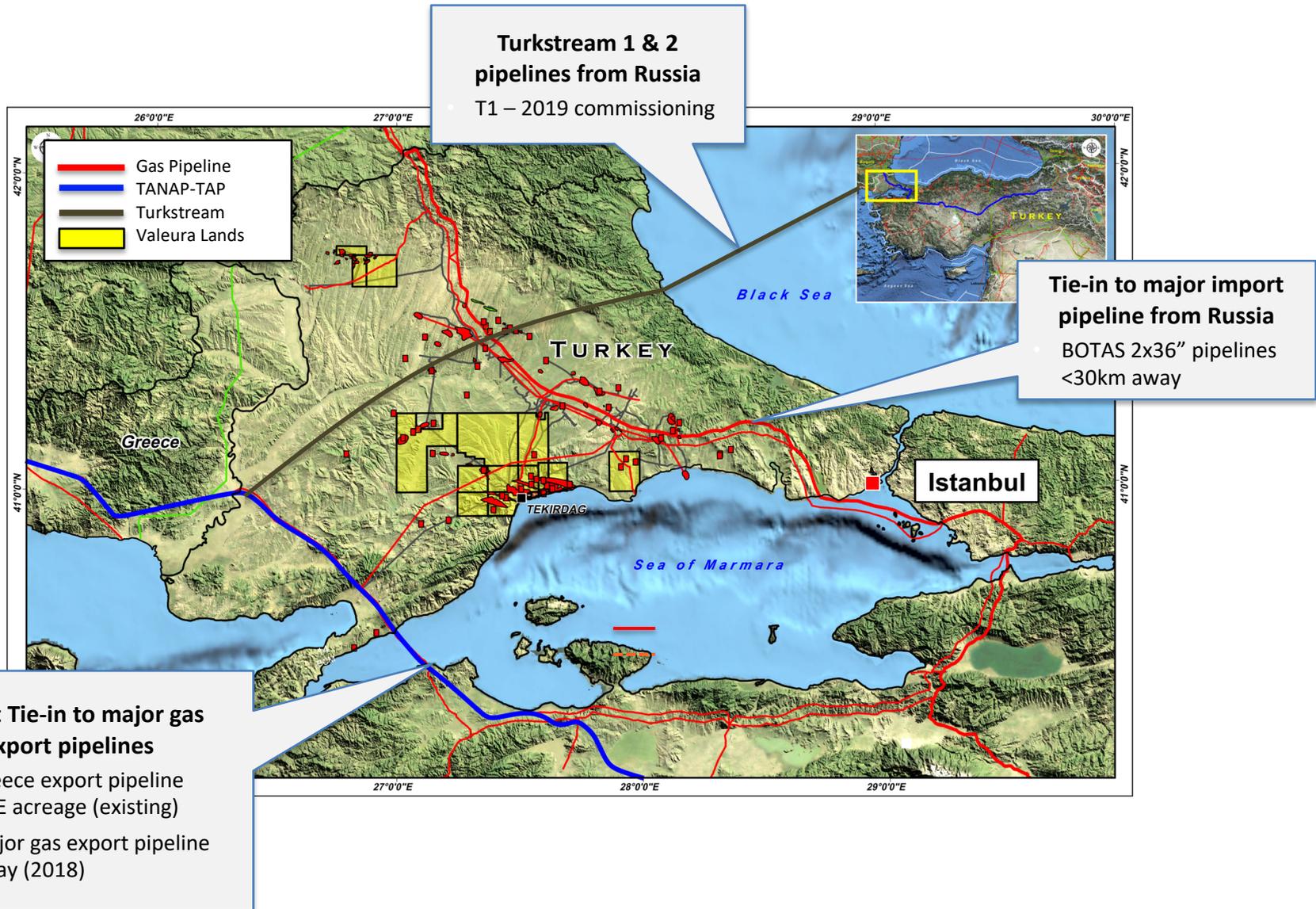
Valeura's Existing Gas Infrastructure

Leverage infrastructure for early cash flow and long-term testing of the BCGA

- Extensive gathering system
- Gas plant & compression facilities
- Integrated midstream/downstream business
 - Direct Gas Sales Agreements in place
 - Physical access to consumers
- Ability to increase production ~ 50 mmcf/d with Valeura Infrastructure
- Further increases possible with sales agreement with Gazdas Regional Distributor
 - Connection to grid already in place
 - 2017 peak sales of ~ 150 mmcf/d



Infrastructure to Support Major Gas Project



Immediate Condensate Sales

- Condensate generally tracks Brent Pricing



- Valeura produced only 3,185 barrels of condensate last year
- Valeura currently handles condensate separation and storage at each wellsite
- Condensate Transportation:
 1. Condensate is stored in the tanks at the wellsite
 2. Sent by truck to **OPET Marmara Eregli Facility**
 3. Condensate shipment to **TUPRAS Refinery**

Turkey Building a Regional Energy Hub

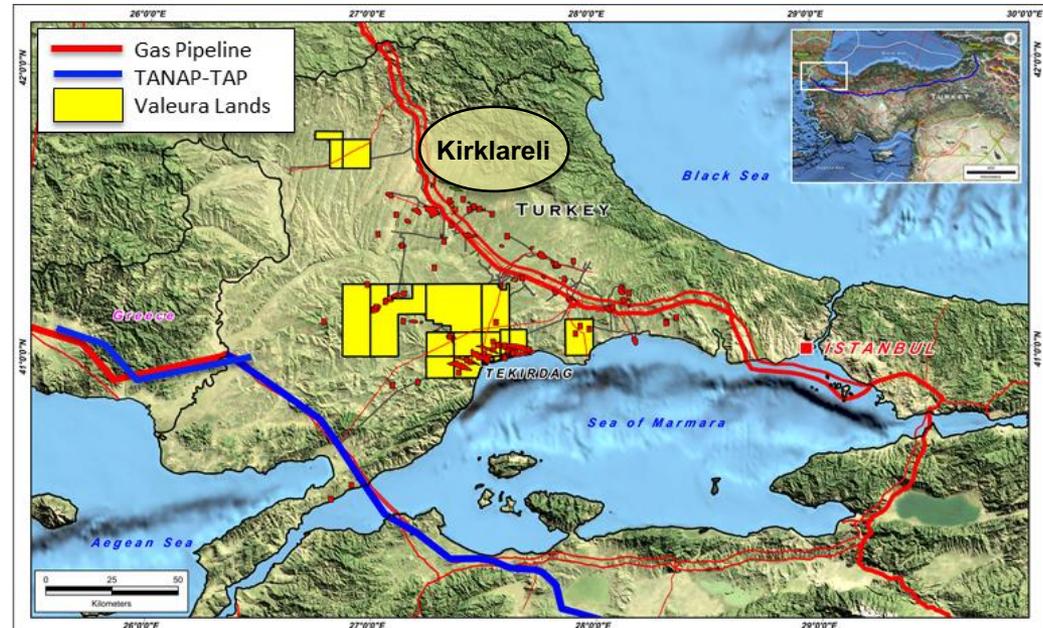
Turkey's Metcap, Qatar's Fusion Dynamics to invest \$5.2 bln in Turkey (April 9th, 2018)¹

Petrochemicals Complex

- \$4 billion natural gas-based chemical facility in the Thrace region
- Production of polypropylene and polyethylene corresponding to 30 percent of Turkey's imports
 - Annual imports currently ~ US\$6 Billion per year
- Annual production capacity of 2.6 million tons of methanol and 1 million tons of light olefins

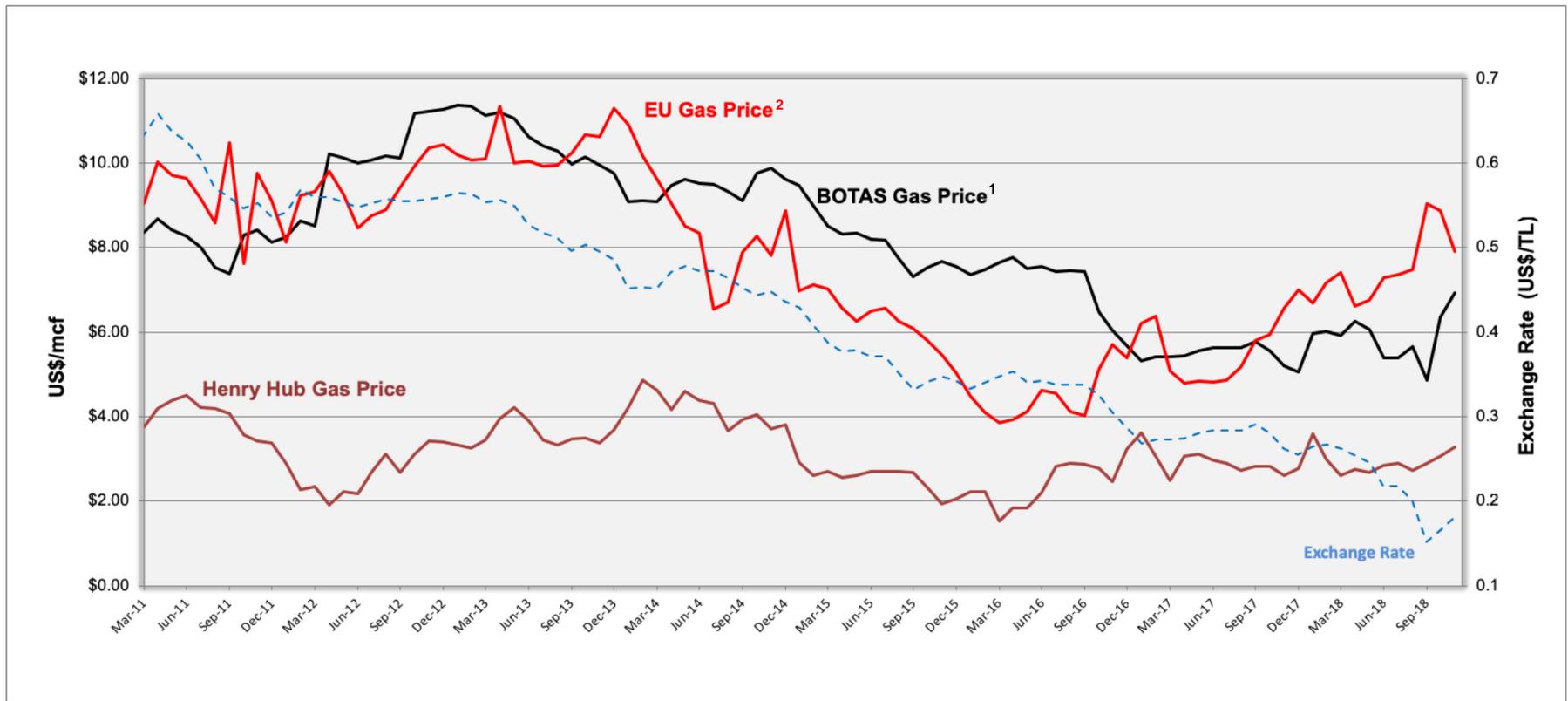
Gas-powered Electricity

- \$1.2 billion in natural gas power stations in the northwestern Kirklareli province and Karaman province (south-central Turkey)
- 550 MW power generation



Strong Natural Gas Pricing in Turkey

- BOTAS import contracts confidential, price has historically behaved like dampened EU gas price
- **Price increase 93% in 2018** to account for 1) global energy price variations, and 2) Turkish Lira devaluation:



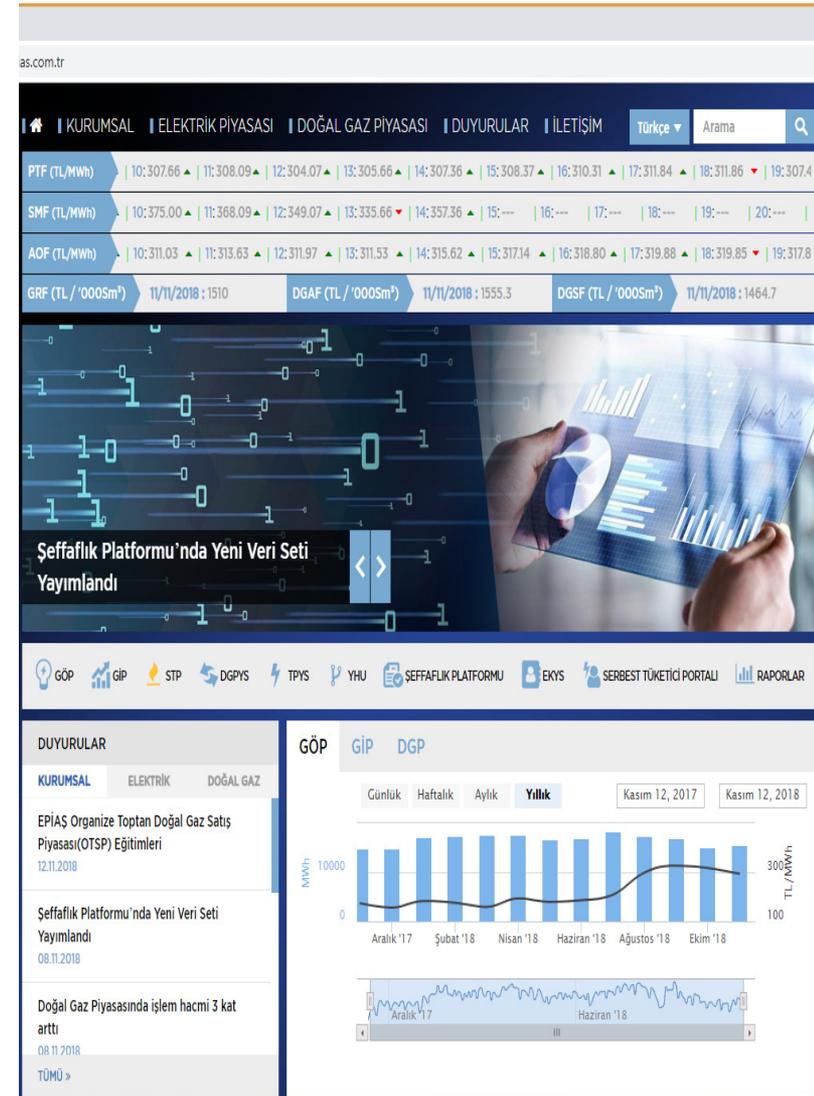
1 Boru Hatlari ile Petrol Tasima Anonim Sirketi ("BOTAS") owns and operates the national crude oil and natural gas pipeline grids in Turkey and purchases the majority of Turkey's natural gas imports. BOTAS regularly posts prices and its Level-2 wholesale tariff is shown herein as BOTAS Gas Price. See Valeura's 2017 AIF for further discussion.

2 EU Gas Price is a composite of Germany Gaspool, UK National Balancing Point, and Netherlands TTF quoted prices.

Spot Market News:

Organized Natural Gas Wholesale Market

- Government aims to fully liberalize the market
- To support that goal, the regulation **Organized Natural Gas Wholesale Market (ONWM)** has been published in September 2017.
- The ONWM became active September 2018.
- Like other trade markets buyers and sellers of natural gas try to find the best offers on that market with freely determined prices.
- The market is being controlled by **Energy Market Operation Corporation (EPIAS)** which also runs the trade market for electricity.
- The offers are being matched by EPIAS and the parties are informed instantly.
- A **Daily Reference Price** is established daily as an average of realized matching prices.



Western Turkey is an Ideal Location for a Large Gas Resource!

Frontier

- Prohibitive costs
- Long time lines

Canada

- Upside prospectivity
- No export options (pipeline opposition, no LNG)
- Some of the **lowest** gas prices in the world
- Environmental Opposition

Western Europe

- Access to markets
- High gas prices
- Limited prospectivity
- Environmental opposition

East Asia & Oceania

- Good gas prices
- Very slow approvals process
- Sovereignty concerns

 **valeura energy inc.**

- High gas prices
- Excellent fiscal terms
- Immediate access to growing infrastructure
- Supportive business climate

USA

- Minor export options including LNG
- Henry Hub pricing <\$3/mcf
- High competition

West or East Africa

- Large resource potential
- LNG investment required for export
- Very long lead times



A GLOBAL ENERGY COMPANY FOCUSED
ON EXCEPTIONAL VALUE CREATION



**A GLOBAL ENERGY COMPANY FOCUSED
ON EXCEPTIONAL VALUE CREATION**

Site Visit 2018

Generating value from a world-class Basin-Centered Gas-Condensate Play

Technical and Development

November 15, 2018

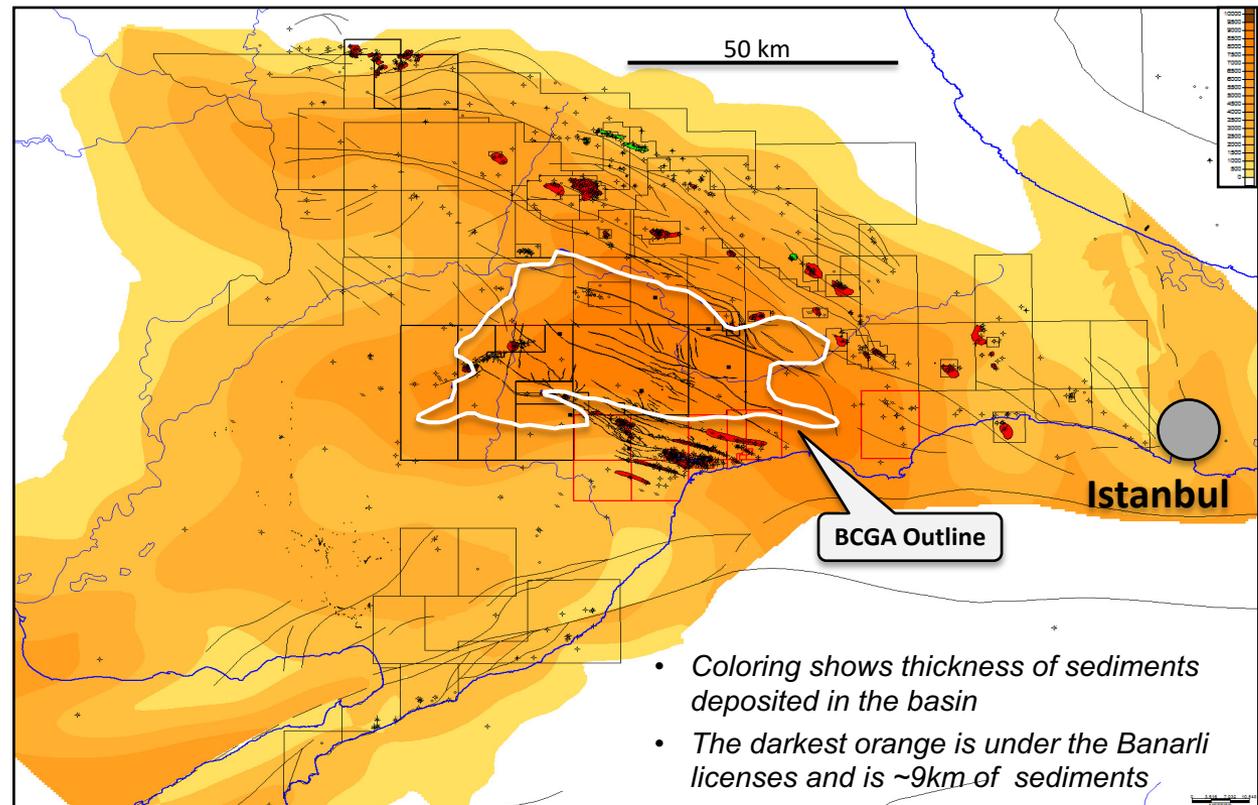
Agenda

Positioned to unlock shareholder value

| Item | Subject | Time |
|----------|--|----------------------|
| 1 | Introduction and HSSEC | 9:30 – 9:50 |
| 2 | Turkey Business Environment | 9:50 – 10:15 |
| 3 | Gas Market and Pricing | 10:15 – 10:45 |
| Break | | 10:45 – 11:00 |
| 4 | Technical, Development and Operations | 11:00 – 11:45 |
| 5 | Q&A | 11:45 – 12:00 |

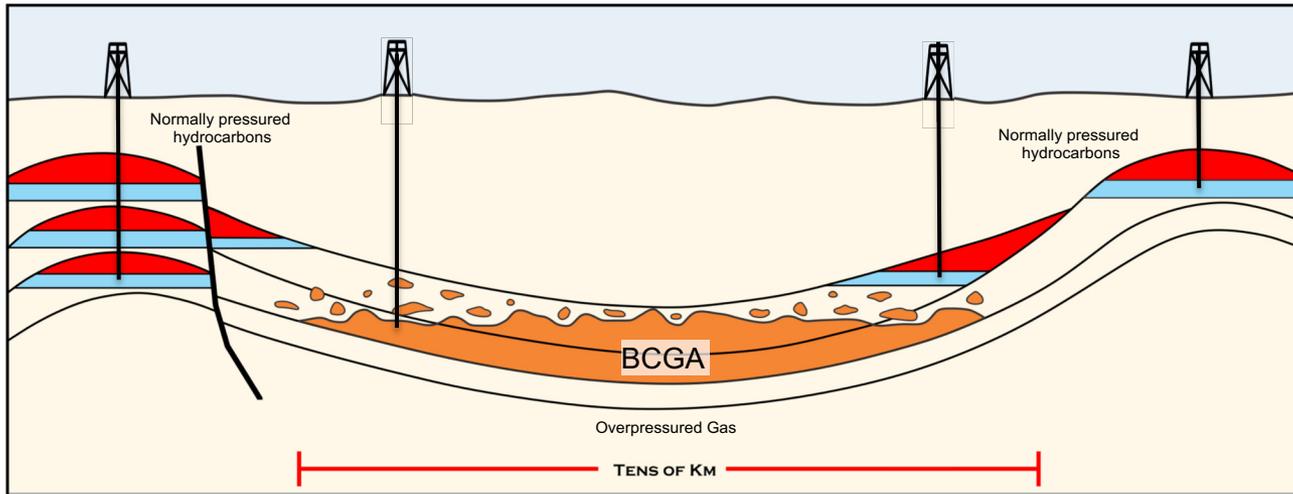
Thrace Basin Summary

- More than 900 wells have been drilled in the basin
- More than 40 fields have been discovered
- Total production to date is ~ 900 Bcf
- Conventional gas fields generally small (<100 Bcf)
- Production of gas and oil from basin for past 50 years



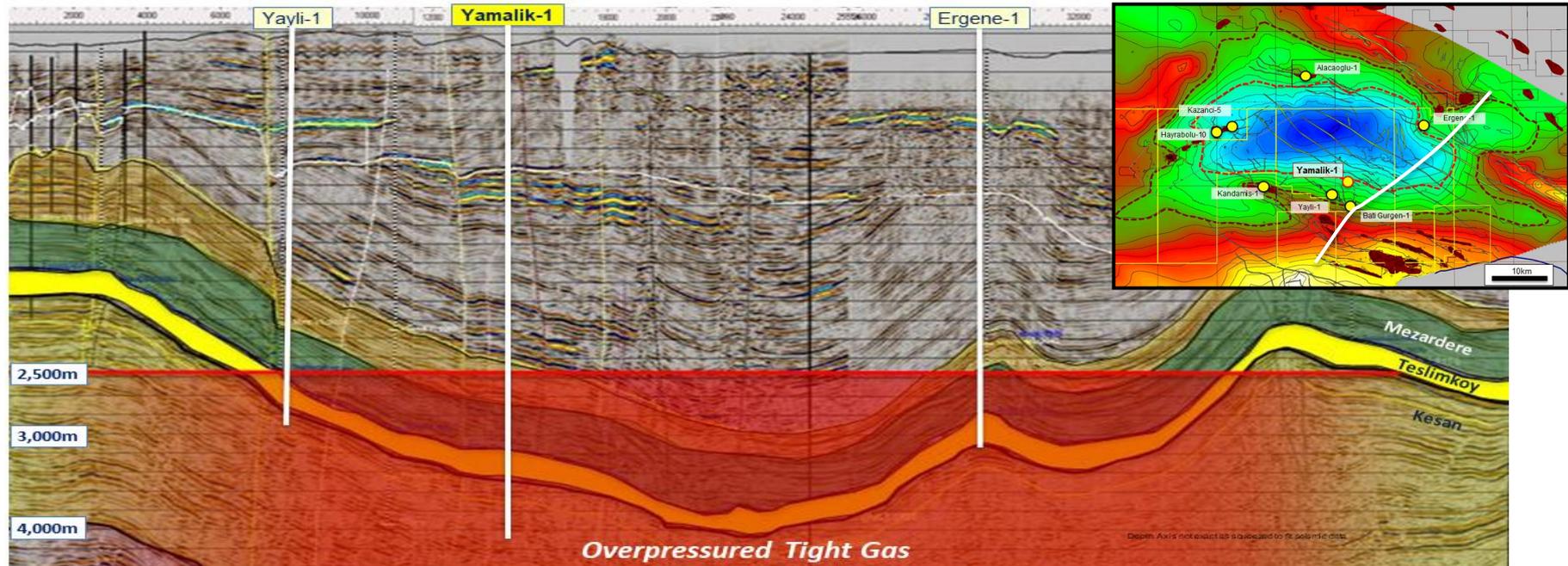
Modified from Merty Energy

Thick, Overpressured Tight Gas

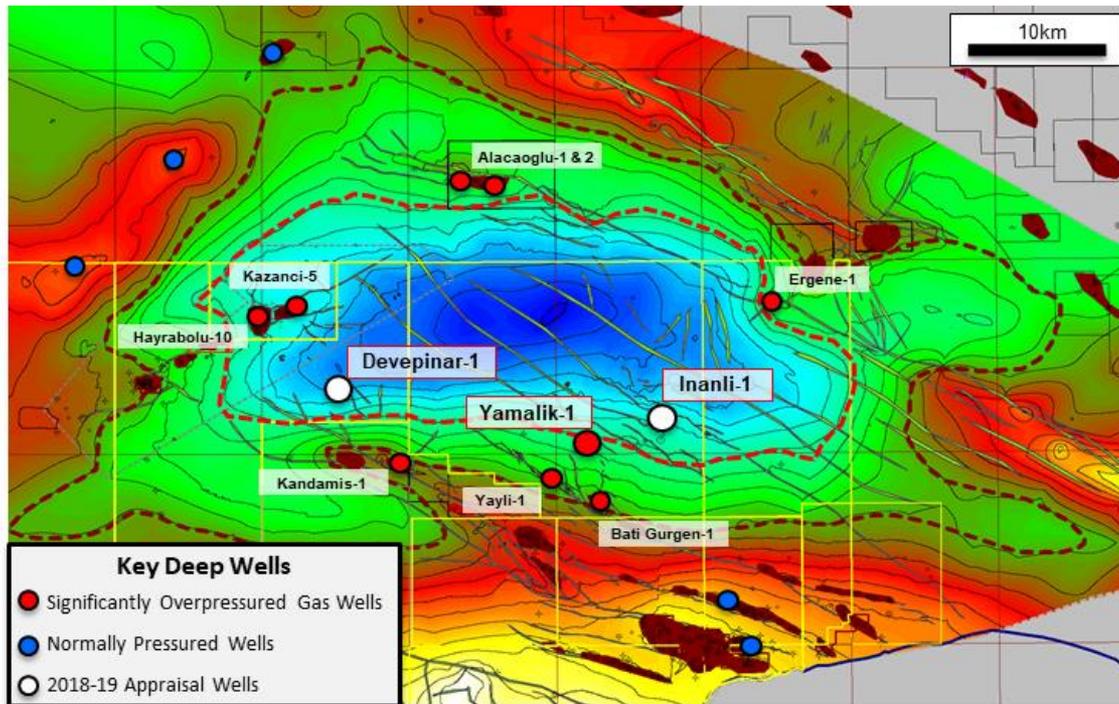


What is a Basin Centered Gas Accumulation (BCGA)?

- Pervasive, basin-centered gas accumulations trapped in low permeability rock
- BCGA's are "Potentially, one of the more economically important unconventional gas systems in the world"¹
- Up to 15% of total US gas production - **4 Tcf/year**¹



Strong Evidence Supporting BCGA Play



Reservoirs significantly over-pressured and high temperature

- All 9 wells around basin encounter overpressured gas at depth - *Yamalik-1 measured 0.82 psi/ft at 4,100 m (almost double water gradient)*
- All reservoirs above normal temperature at depth

Lack down-dip water contacts in wells

- Yamalik-1 reservoirs gas-saturated from ~ 2,900 m to 4,196 m

Strong Evidence for BCGA

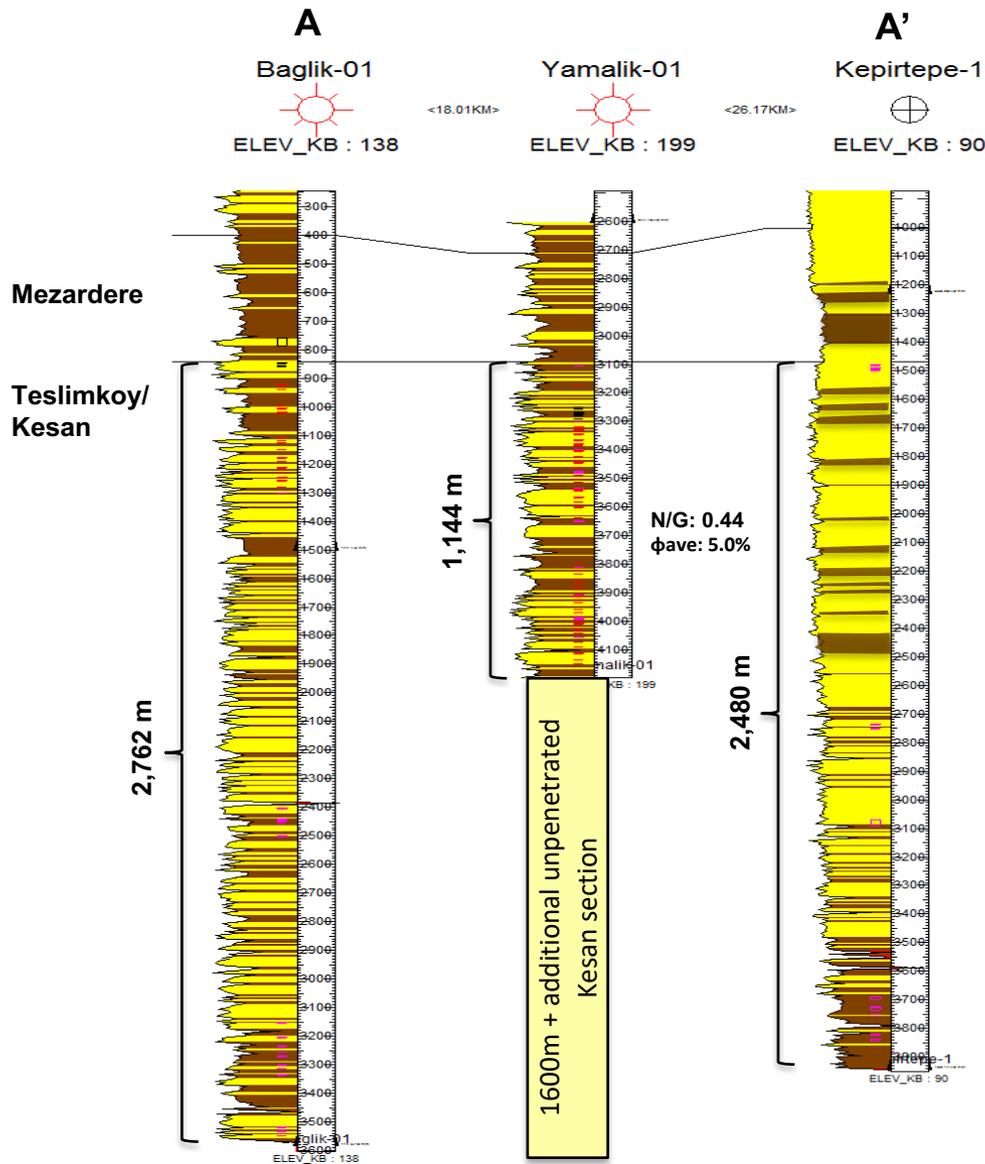
Normally pressured gas fields around basin

- Numerous gas fields producing from normally pressured reservoirs in the same formations

BCGA typically has significant thickness of low permeability reservoir

- Geological model proven by almost 1,000 wells in Thrace Basin
- Yamalik-1 TD'd in gas-filled reservoir after drilling ~ 1,300m of Teslimkoy and Kesan formations
- Nearby wells suggest only ½ of the Kesan formation drilled in Yamalik – potential for additional 1,000+m
- Maximum depth of effective reservoir not yet encountered

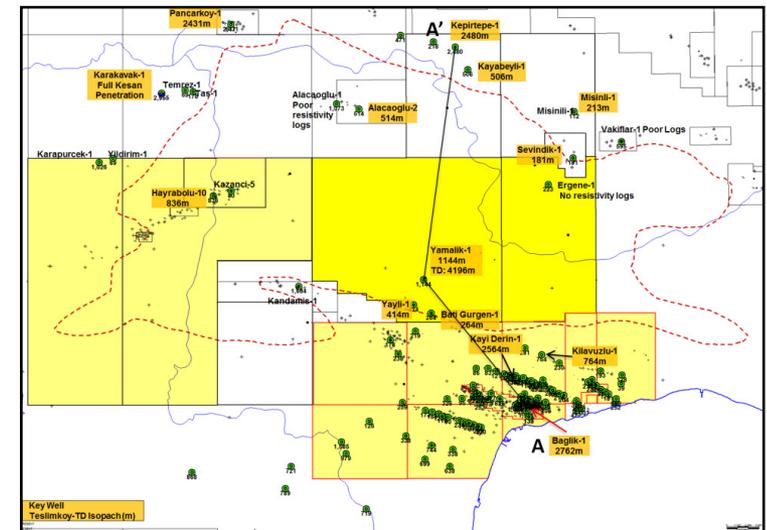
Thick Kesan Formation Reservoir



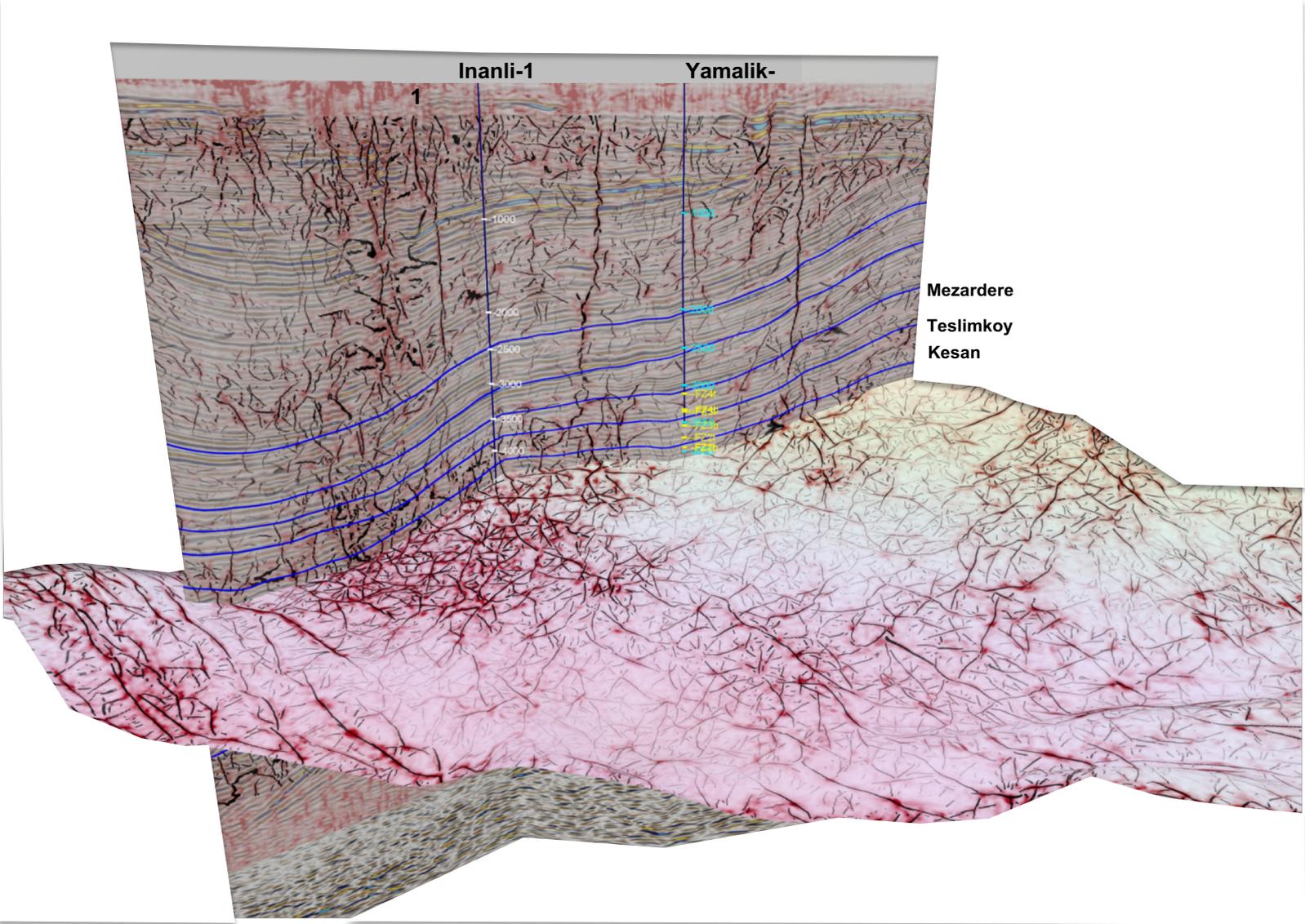
Kesan Outcrop



- Average thickness of Teslimkoy/Kesan section 2,000 m to 3,000 m thick
- Stacked turbidite channels and lobes with interbedded source rock
- Yamalik-1 net/gross: 0.44 and porosity ave: 5.0% across 1,144 m of penetrated section



Seismic coherency interpreted to be related to Natural Fracturing



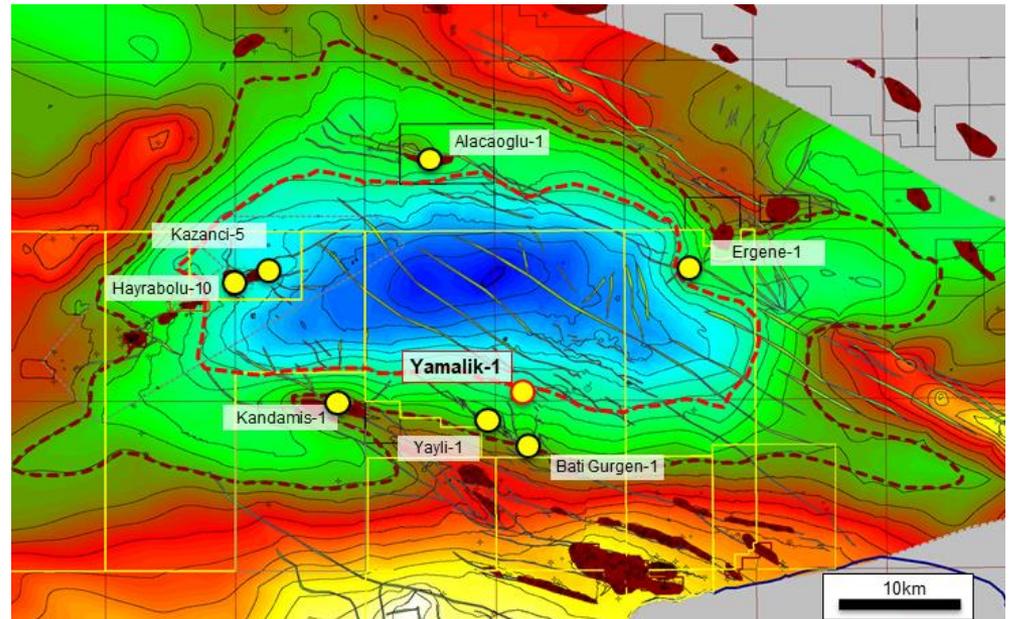
2018/2019 Appraisal Objectives

Prove up Gas Inplace volumes

- Demonstrate that the over-pressured gas is pervasive across the basin
- Test for the Reservoir floor by drilling and evaluating to ~5,000 m
- Test the shallower Mezardere formation for upside volumes
- Demonstrate the condensate potential both vertically in the section and laterally across

Commercial Flow Potential

- Continued fracing and flow testing of discrete levels within Kesan Formation and within different hydrocarbon maturity windows
- Long-term flow testing by putting any successful well on production
- Test areas interpreted to have increased natural fracturing



Appraisal Program

| | 2018 | | | 2019 | | |
|---------------------------|------|---|---|---|--|---|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Yamalick-1 | |  - - - - - | | | | |
| Inanli-1 (Banarli) | | |  - - - - - |  - - - - - | | |
| Devepinar-1 (West Thrace) | | | |  - - - - - |  - - - - - | |
| Deep Well #3 (Banarli) | | | | |  - - - - - |  - - - - - |
| Hayrabolu-10 (contingent) | | | | |  - - - - - | |

 Drilling starts
 Testing starts

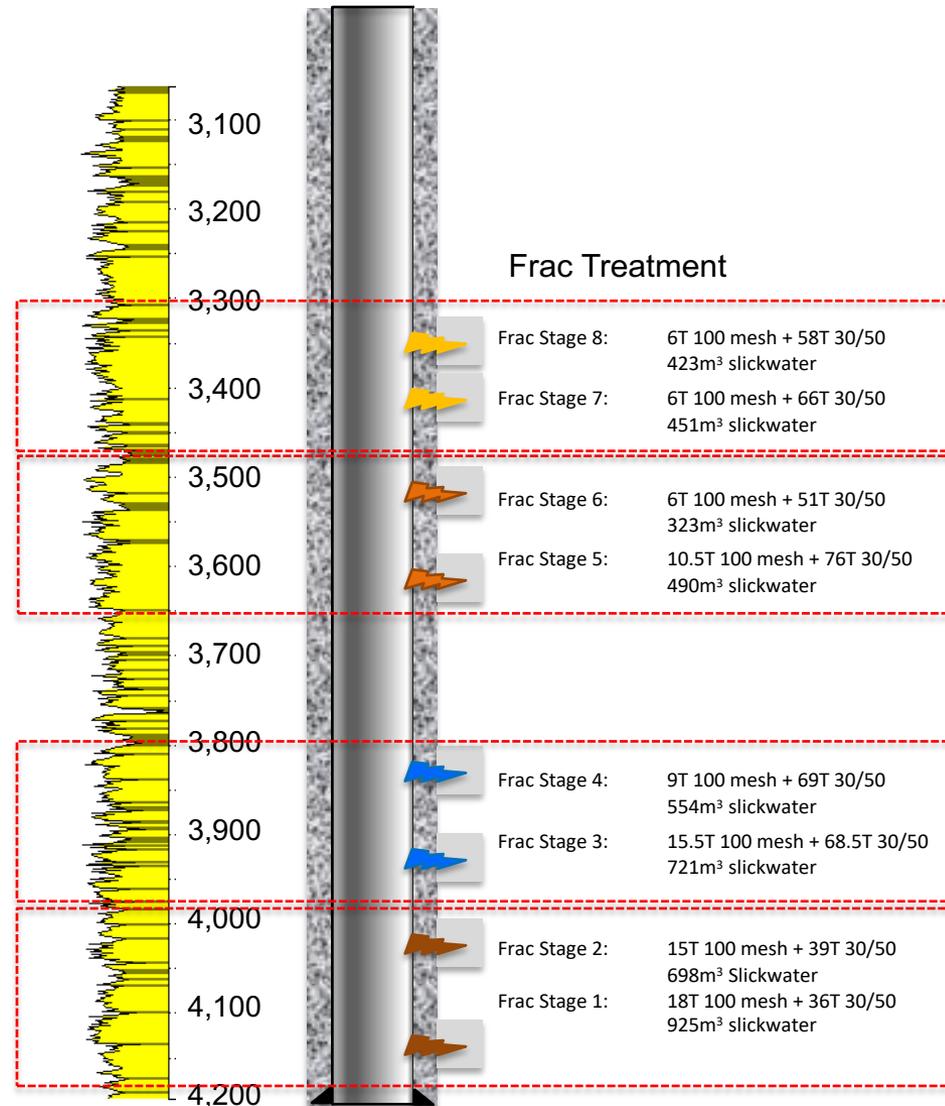
BCGA Appraisal Program – Drilling Update

- Inanli-1 well spud on 8 October 2018 and is expected to TD in late December or early January
 - Drilled intermediate section to 3460 m (November 12th)
 - Current depth is near the bottom of the secondary target (Mezardere formation)
 - Logs and drilling data indicate overpressure and gas presence
- Devepinar-1 well location to spud in early January
 - Location build to commence shortly
 - Target depth is 5000 m
- Third appraisal well location to follow
 - Well locations under consideration

| | Inanli-1 | Devepinar-1 | Third Well |
|-----------------------|-------------------------------|--------------------|-------------------|
| Target Spud: | October 8th | ~ January | ~ April |
| Drilling Time: | 80+ days | 70+ days | TBD |
| Rig Size: | 2,000 HP | 2,000 HP | 2,000 HP |
| BOP Rating: | 15,000 psi | 15,000 psi | 15,000 psi |

Yamalik-1 Well Original Completion

- First exploration well with Kesan overpressured zone as primary target
- Initial completion aimed at determining fluid types and ability to flow hydrocarbons and was not optimized for production
- The well was fraced with only 8 small stages compared to 30 or 40 larger stages in wells in other plays
- Post-frac analysis indicates that the fraced section represented less than 40% of the gross pay
- The aggregate test immediately after initial completion was 2.8 mmcfd for the final 24 hours of testing with a CGR of approximately 30 bbls/mmcft⁽¹⁾



Yamalik-1 Well Production

- **Commingled Gas Production:**
 - Initial production rate of 2.5 mmcfd⁽¹⁾
 - On 1 Nov, production rate was approximately 0.5 mmcfd
 - Gas was flared initially but once stable, has produced down the pipeline to sales facilities
- **Commingled Condensate Production:**
 - Condensate gas ratio has averaged more than 50 bbls/mmcfd
- **Commingled Water Production:**
 - Load water volume from aggregate frac completion was 28,840 bbls (slick water)
 - Gas lift was installed on the well on 22 October, 2018 to accelerate load recovery
 - On 1 Nov, production rate was 269 bbls/d water
 - Load fluid recovery to date is approximately 80%



BCGA Appraisal Plan: Next Drill Locations

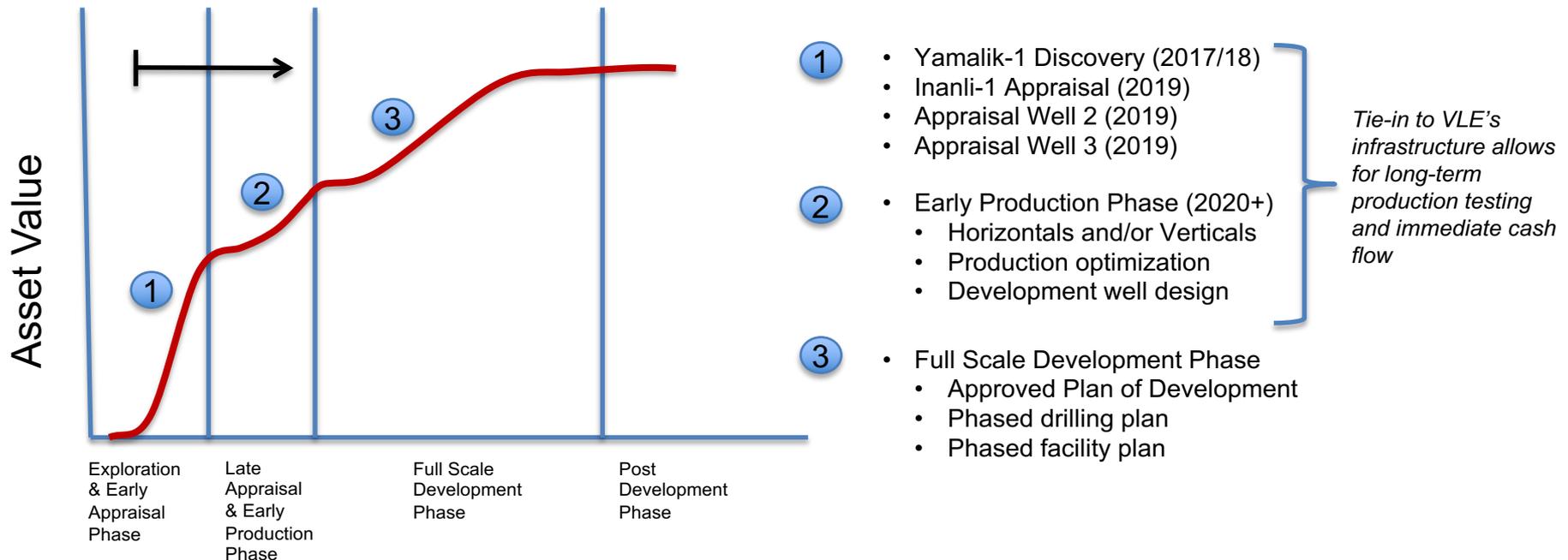
- For next drill locations, target and design options to optimize production:
 - Maximize fracture density while placing productive zones in the optimal maturity window
 - Increase understanding of reservoir quality and saturation through core and specialty logging
 - Scale up fracs to a more full completion in future wells
 - Selectively complete zones to manage or completely avoid possible free water production
 - Progress well completion procedures to allow for zonal testing while reducing exposure to reservoir damage and maximizing ability to cleanup
 - Correlate zones between subsequent wells to assess horizontal drilling potential



Thrace BCGA Development Phases

Building value and de-risking over time

- 2018/2019 Appraisal Program to provide additional reservoir data to prove extent of reservoir, information by zone, longer term production testing
- Early Production Scheme in 2020 and beyond to provide additional production testing of horizontal and vertical wellbores and cost data to allow for development approval
- Full Scale Development Phase to include multiple rig drilling program and large scale facility construction



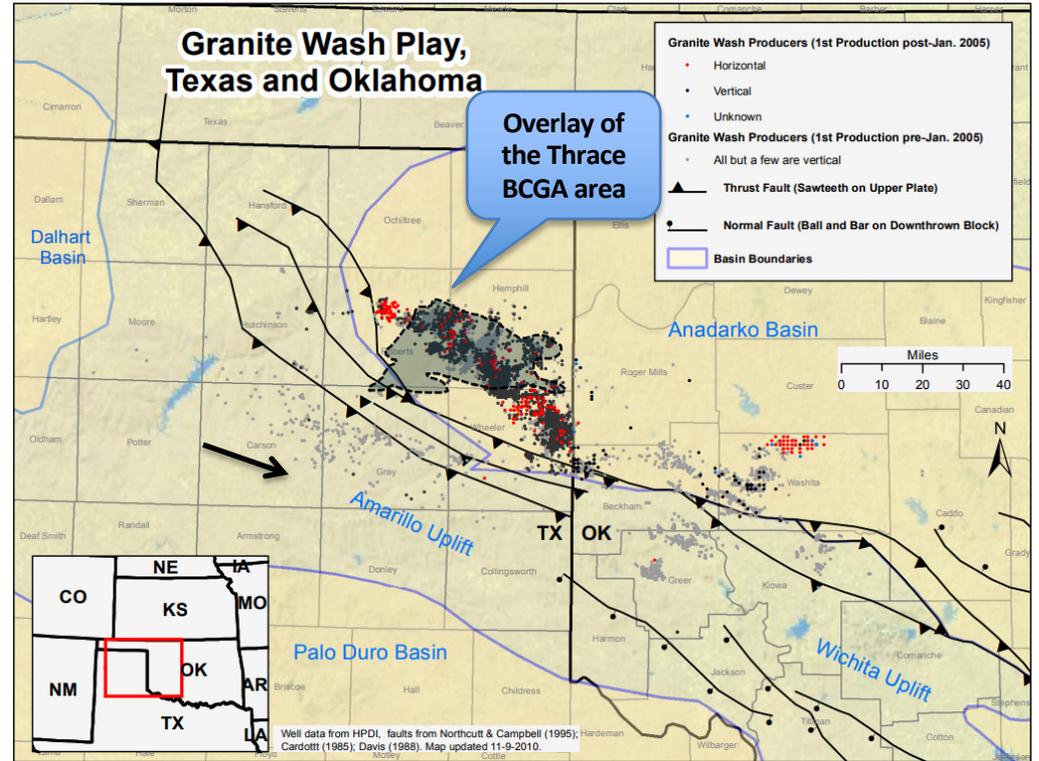
Information provided on this slide is for illustrative and/or conceptual purposes only and should not be relied upon as (and is not) any indication of future results of Valeura with respect to the development of the BCGA play.

Thrace BCGA NA Analogs - Granite Wash Play

- The Granite Wash Play in the Anadarko Basin is a close analog to the Thrace BCGA with respect to:
 - Depth
 - Stacked pay
 - Overpressure
 - Geological deposition
 - Reservoir quality
 - Mineralogy

Comparison Table

| | Thrace BCGA | Anadarko Basin Granite Wash |
|--------------------------|---|---|
| Depth | 3000m - 5000m (TBC) | 3500m-4100m |
| Depositional Environment | Submarine fan lobe | Submarine fan lobe |
| Mineralogy | 40 to 50% Quartz 20 to 30% Feldspar <15% Clay volcanic fragments | 30 to 40% Quartz ⁽³⁾ 30 to 50% Feldspar 7-18% Clay volcanic fragments |
| Trapping (dominant) | Unconventional | Unconventional |
| Pressure Gradient | 0.7 - 0.84psi/ft | 0.47 – 0.7 psi/ft ⁽²⁾ |
| Thickness (m) | 1100 (min) | 450 - 1200 |
| Porosity (%) | 3 to 9% | 2% to 14%, Avg 6% ⁽³⁾ |
| K (mD) | 0.001-0.020 (TBC) | 0.0001 – 0.1 md ⁽³⁾ |



https://www.eia.gov/oil_gas/rpd/shaleusa10.pdf

- The Granite Wash Play is in Anadarko Basin straddling the Texas – Oklahoma border
- Multi-stacked resource play with potential of 40 Hz wells/section (16 surface acres/well) due to stacked laterals⁽¹⁾
- Wells drilled up to 2010⁽¹⁾ :
 - 16,307 vertical wells
 - 2,002 horizontal wells

(1) Source: Ed LoCricchio Search and Discovery Article #110163 (2012)

(2) Unconventional Oil and Gas Resources Handbook (2016)

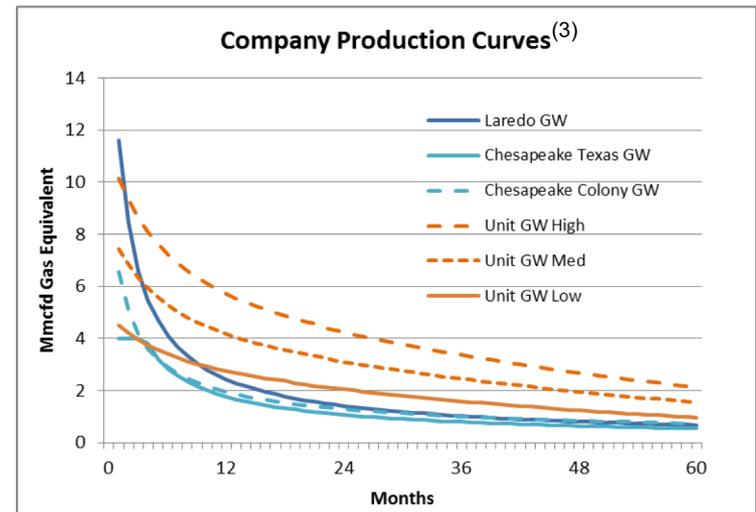
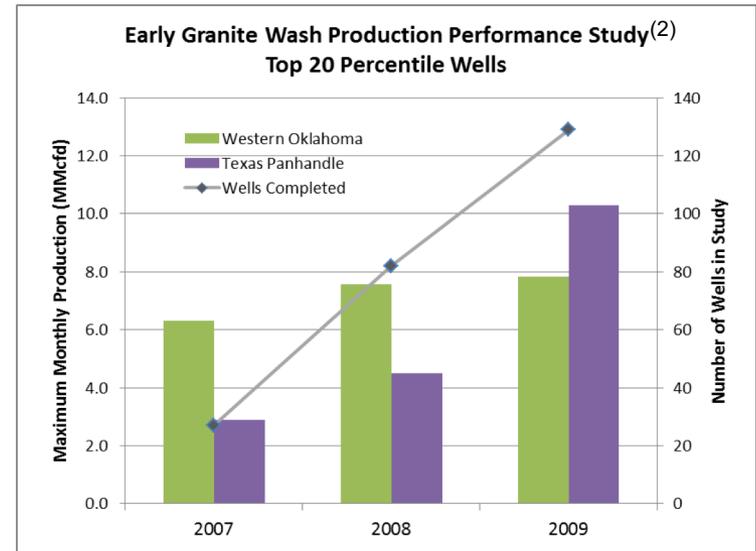
(3) Source: John. R. Mitchell Search and Discovery Article #202267(2014)

Granite Wash Productivity

- Operators in the Granite Wash:
 - Shifted from vertical to horizontal drilling from 2007 to maximize returns using the new technology
 - Shifted to the higher liquid layers of the upper Granite Wash formation as gas prices fell off in the US
 - Targeted the proximal area of the play due to its better reservoir quality and improved on performance year on year

- Range of production and reserves for Granite Wash horizontal wells⁽¹⁾:
 - IPs: 3 to 30 mmcf/d
 - EURs: 3 to 17 Bcfe

- Production declines tend to be steep for horizontal wells due to the tight nature of the reservoir. Operators such as Chesapeake⁽³⁾:
 - Initial declines, up to 83% in the first year
 - b factors between 1 and 2



(1) Source: Ed LoCricchio Search and Discovery Article #110163 (2012)

(2) Source: SPE 144333 (2011) Society of Petroleum Engineers. Data shown is for a subset of the Granite Wash Play

(3) Source: Corporate presentations: Chesapeake, Unit Corp, Laredo. Composition of company production curves shown are not known and may not be representative of average company or play results.

Focusing on the Development Sweetspot

Appraisal wells and the early production scheme will target:

reservoir sweetspots

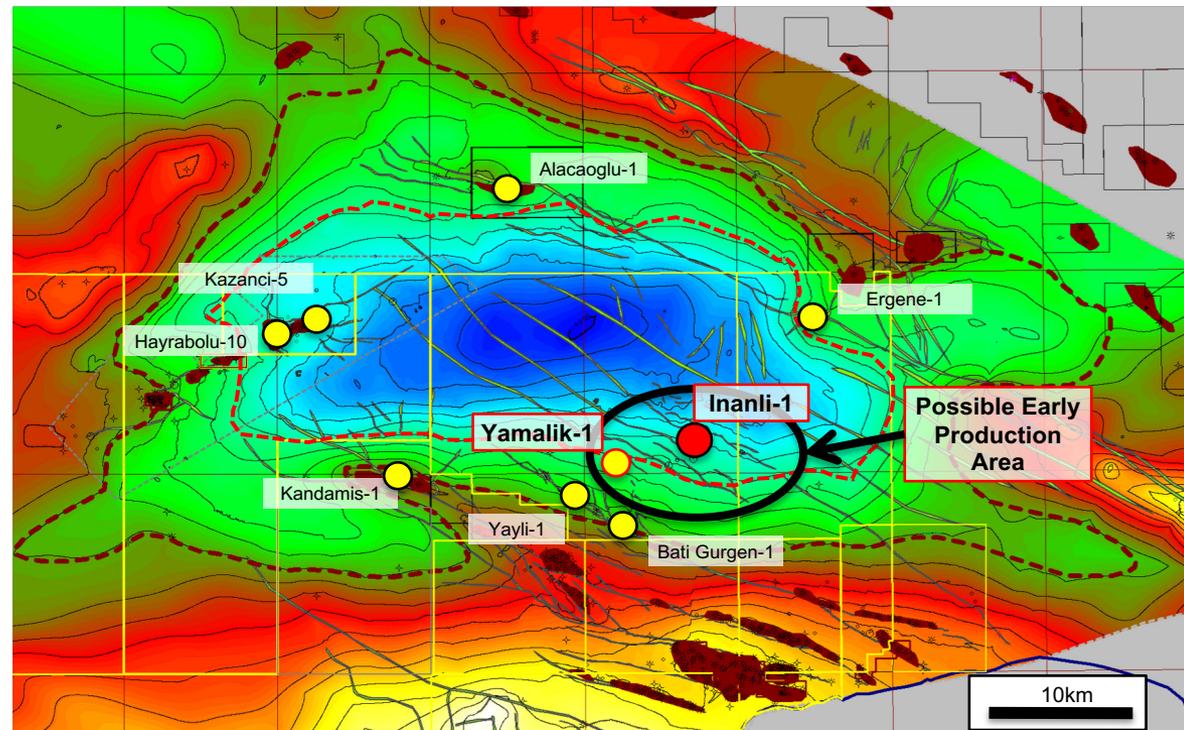
- Highest reservoir quality and resource density
- Highest # of fractures
- Highest rate producible fluid (wet/dry gas)
- Highest overpressure

economic sweetspots

- Lowest drilling and completion costs
- Highest completion productivity vs cost
- Highest economic return fluid mix (ie gas vs liquids)
- Lowest facility and tie-in cost

Inanli-1 will be drilled in an interpreted sweetspot area which could become the early production focus area, targeting:

- High natural fractures
- Thick reservoir section
- Wet gas maturity window
- Significant overpressure

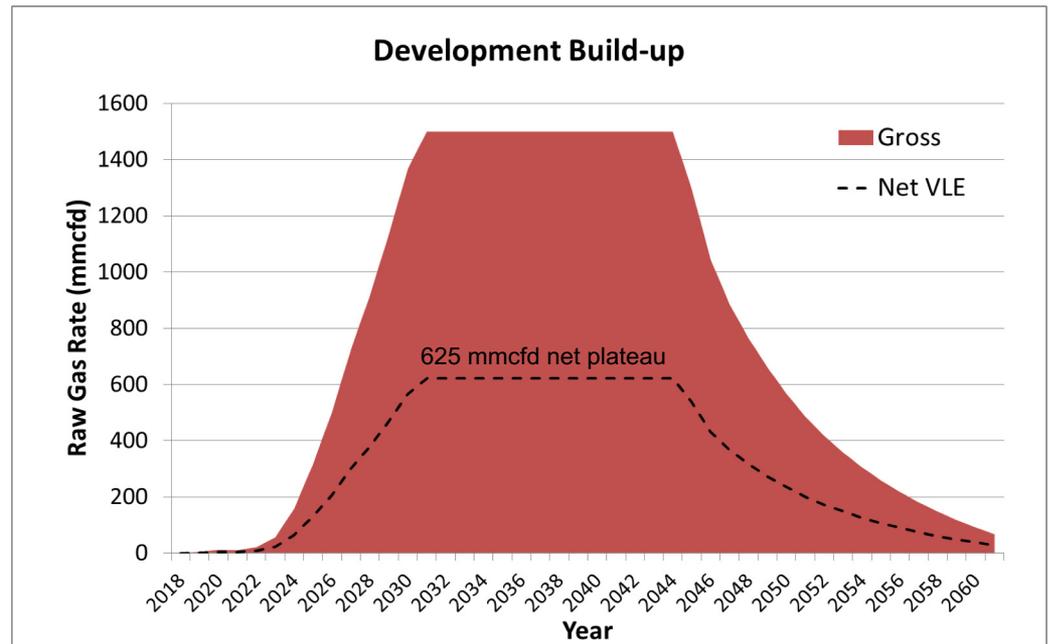


BCGA Risked Volume and Profile

- D&M has independently determined:
 - WI Prospective Mean Resource Estimation of 5.2 Tcf (risked)⁽¹⁾ or 12.5 Tcf on a gross basis
- An illustrative production profile to recover D&M 12.5 tcf (risked Gross):
 - Gross plateau production: 1.5 Bcf/d
 - Valeura plateau of **625 mmcf/d**
 - Valeura net annual revenue of **>1.6 US\$ billion** during plateau, based on current gas prices, adjusted for inflation

| | | | | |
|------------------|-------------|-------------------------|-------------------|-------------------|
| Contract Period: | 5 yr Explor | 20 year production term | 10 year extension | 10 year extension |
| | | | | |

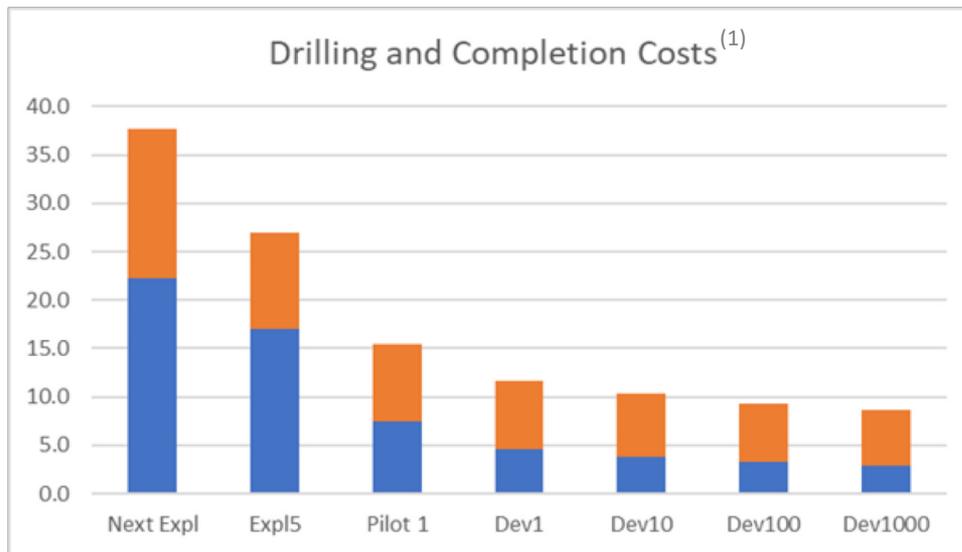
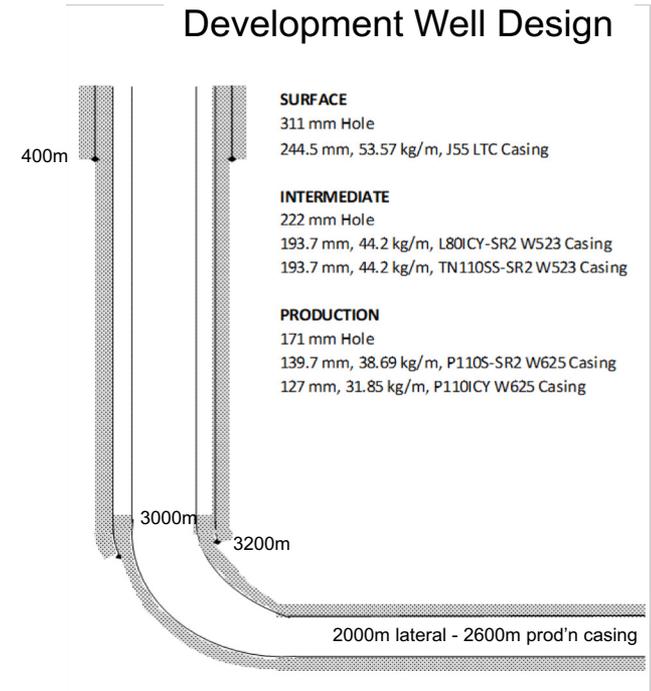
| EUR / Well (Bcf Gas) | Rigs/Year | | Total Drills |
|----------------------|-----------|---------|--------------|
| | Ramp-up | Plateau | |
| 4 | 14 | 11 | 3,124 |
| 8 | 7 | 6 | 1,562 |
| 16 | 4 | 4 | 781 |



(1) Reference: Thrace BCG D&M Report dated December 31, 2017

Thrace Drilling and Completion Cost Projections

- Valeura D&C team has analyzed costs using:**
 - Duvernay drilling and completion costs, adjusted for depth and location
 - Starting development cost based on 2016 D&C actuals (half the operating speed of current projects)
 - 20% to 40% additional uplift for costs in Turkey vs Canada
 - Drill learning curves from offset wells in several plays (Falher, Albrigt, Glauconitic, Duvernay, Bakken, Eagleford)



- Limited scope contracts
- Learning curve
- Significant evaluation costs
- Multiple rigs, long term contracts
- Learning curve
- Few evaluation costs

Assumptions in analysis:

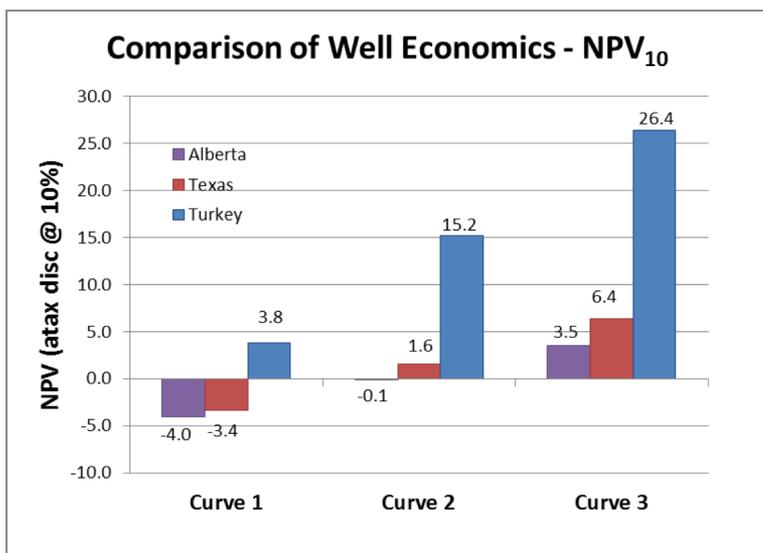
- Development well design
- 9 wells per pad (this can be optimized later)
- 2000 m laterals at 3300m+ TVD depth
- 20 frac stages (100 m frac spacing)
- 2.5 T per m proppant intensity

Turkey's Fiscal Terms & Gas Price Can Provide Superior Returns

- Turkey's robust gas price is a major economic differentiator
- Compared to NA, projects in Turkey will either have improved economics or will be economic with significantly lower results

Economics Compare:

- 3 different regions (fiscal terms, product prices)
- 3 different production curves (reserve range of 3.9 Bcfe to 11.5 Bcfe)
- Same D&C cost of US\$9 million per well

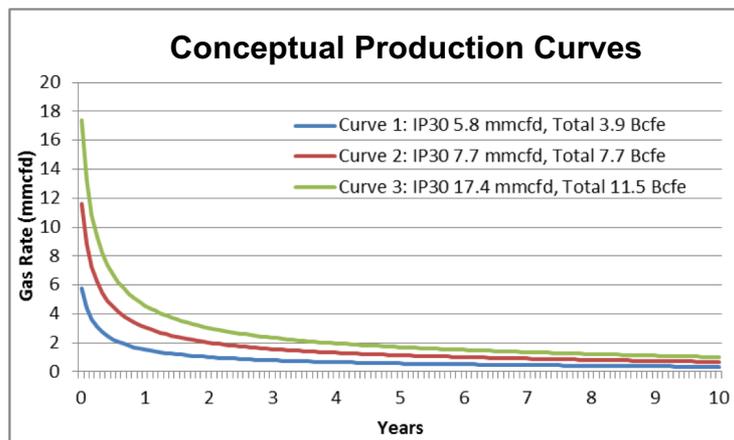


| | Turkey | | | Texas | | | Alberta | | |
|-----------------------------|--------|------|------|-------|-----|-----|---------|------|-----|
| Production Curve | 1 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 |
| NPV ₁₀ (US\$ MM) | 3.8 | 15.2 | 26.4 | -3.4 | 1.6 | 6.4 | -4.0 | -0.1 | 3.5 |
| IRR | 26% | 99% | 216% | -3% | 16% | 34% | -5% | 10% | 24% |
| Payout (Years) | 2.8 | 0.8 | 0.3 | 9.9 | 3.8 | 1.7 | 11.7 | 4.6 | 2.2 |

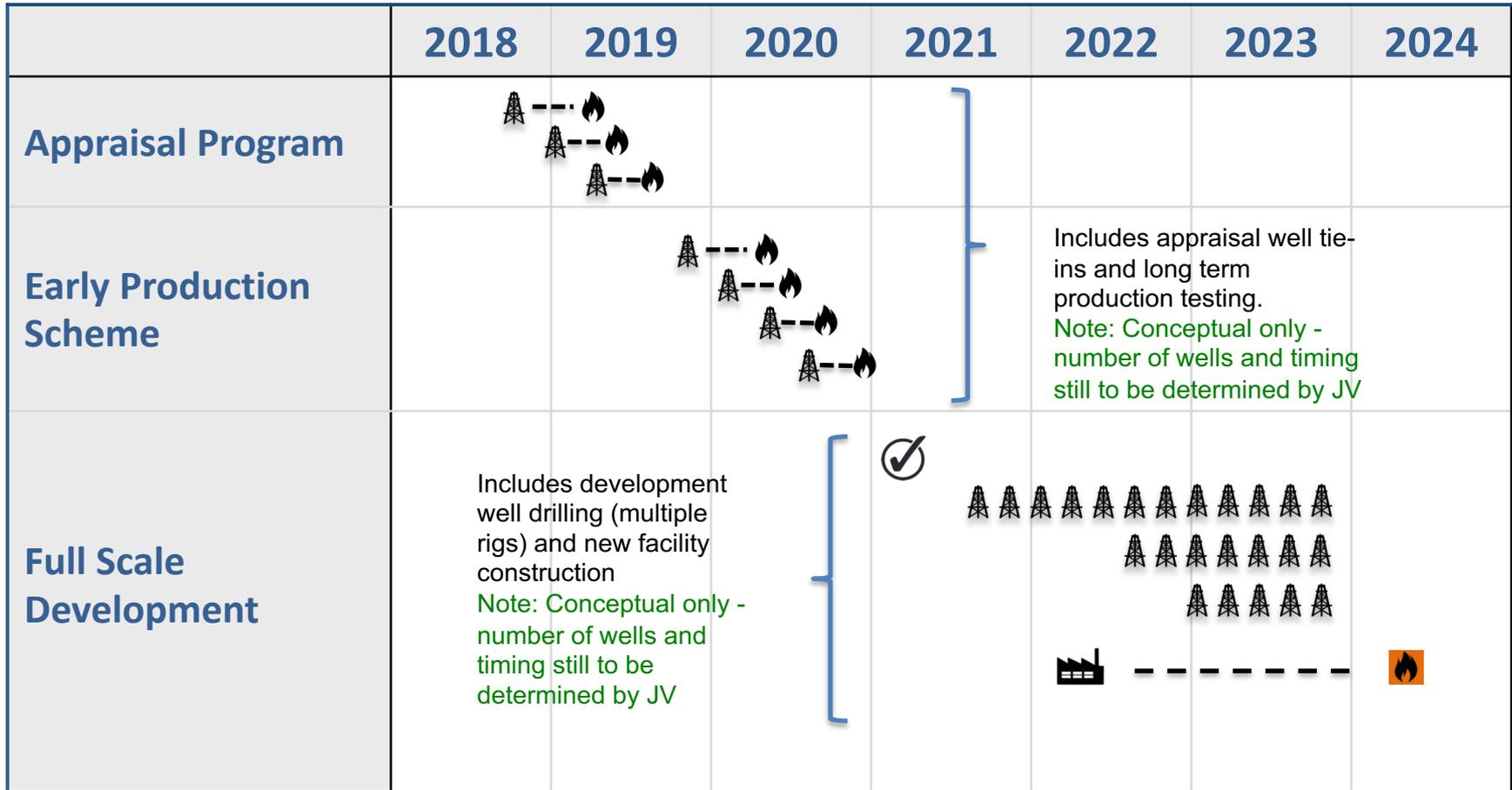
Assumptions:

- All net present values after tax, discounted at 10%, midyear. Costs escalated at 1.5%/year
- Costs are half-cycle, including drilling and completion (D&C) costs only and excluding equipment and facility costs
- Production curves are generic and for economic comparisons only, assumes condensate gas ratio of 31.9 bbls/mmcf
- Product price assumptions:
 - Turkey: 6\$US/mmbtu gas plant gate escalated at 2.9%/year (World Bank European price forecast), 6\$US/bbl condensate price escalated at 1.5%/year
 - Texas: 2.80US\$/mmbtu Henry Hub and 67\$US/bbl WTI at 2019e strip minus 3\$ US/bbl for condensate, prices escalated at 1.5%/year
 - Alberta: 1.55\$CAD/mmbtu AECO and 67\$US/bbl WTI minus 3\$ US/bbl for condensate, prices escalated at 1.5%/year

Royalty rate for Texas assumed 22.5% freehold



BCGA Conceptual Development Timeline



-  Drilling
-  Producing - Existing Facility
-  Final Investment Decision

-  Facility Construction
-  First Gas - New Facility

Agenda

Positioned to unlock shareholder value

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