



EXCEPTIONAL VALUE CREATION IN TURKEY



Corporate Presentation
November 2019

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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 programme 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 operations on Inanli, Yamalik-1 and Hayrabolu-10 wells and the timing thereof; the drilling and testing of Devepinar-1 well and the notional third appraisal 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 optimising 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; 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; 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 programmes 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, reservoir stimulation and other specialised 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. 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 timelines and costs for the deep 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 constitution, 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, the 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 2017 AIF for a detailed discussion of the risk factors.

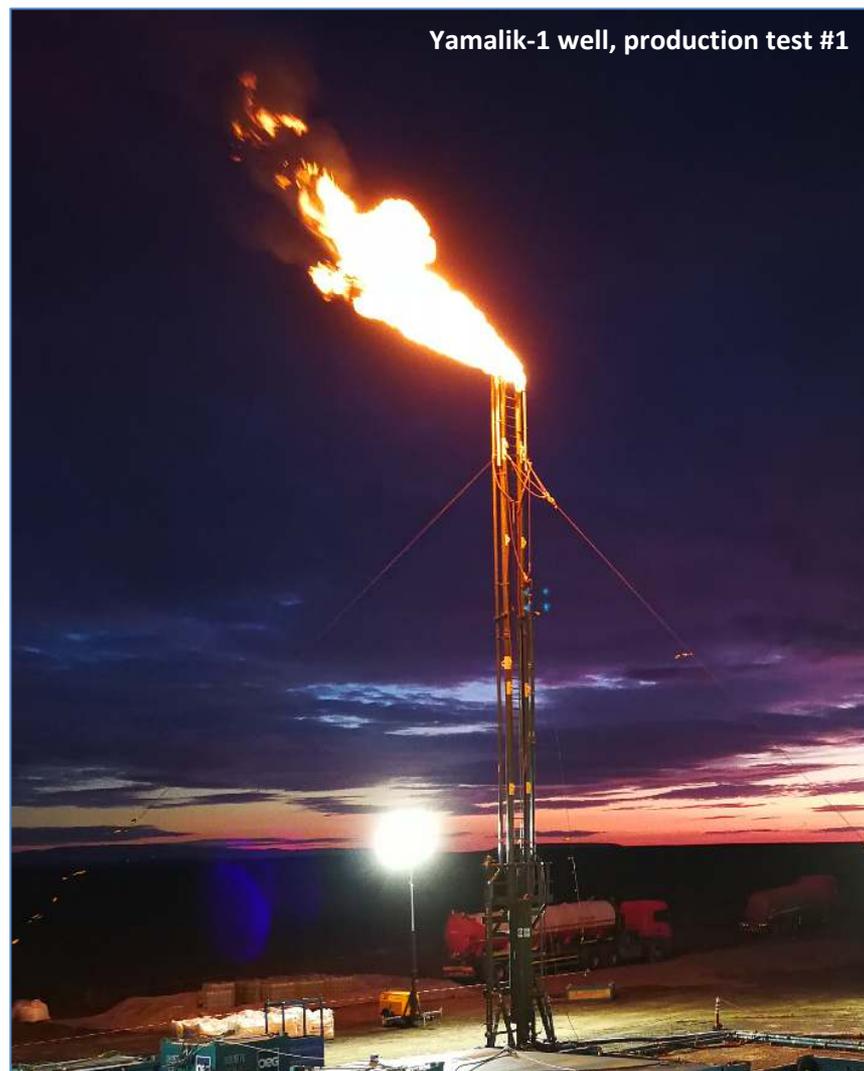
RESERVES LIFE: Reserves life is a measure of the volume of the Corporation’s reserves divided by the annual average production.

NOTE REGARDING INDUSTRY METRICS: Boes, recycle ratios and reserve life are industry metrics which do not have standardised 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.

Valeura Investment Highlights

- Operator of a major new unconventional gas play in Turkey: **10.1 Tcfe** net recoverable resource¹
- Company fully funded to appraise new Basin Centered Gas Accumulation (BCGA) discovery
 - Inanli-1 demonstrates stable gas flow from four stimulated zones
 - Devepinar-1 confirmed reservoir and over-pressured gas 20km west, testing programme starting
- Excellent gas prices (\$9.64/mcf)² and fiscal terms
 - 12.5% Royalty and 22% Corporate Tax
- Management and Board with a track record of delivering shareholder value internationally
- Completed an additional listing in the UK to attract more institutional investor interest
 - Toronto Stock Exchange: VLE
 - London Stock Exchange: VLU



¹ Valeura working interest, unrisked recoverable natural gas prospective resource. From D&M Prospective Resource Report (February 2018)

² Q3 2019 realised price, Canadian dollars

Valeura Snapshot

Assets

Production¹	531 boe/d
Resource^{2,3}	10.1 Tcfe
2P Reserves³	7.4 MM boe
2P Value³	\$87.5 MM
1P Reserves³	2.0 MM boe
1P Value³	\$26.3 MM
Land (conv)	373,588 acres
Land (unconv)	255,662 acres
Infrastructure	Valeura owns and operates all gas gathering facilities and sales contracts for its assets in Turkey.

Q2 Financials and Performance

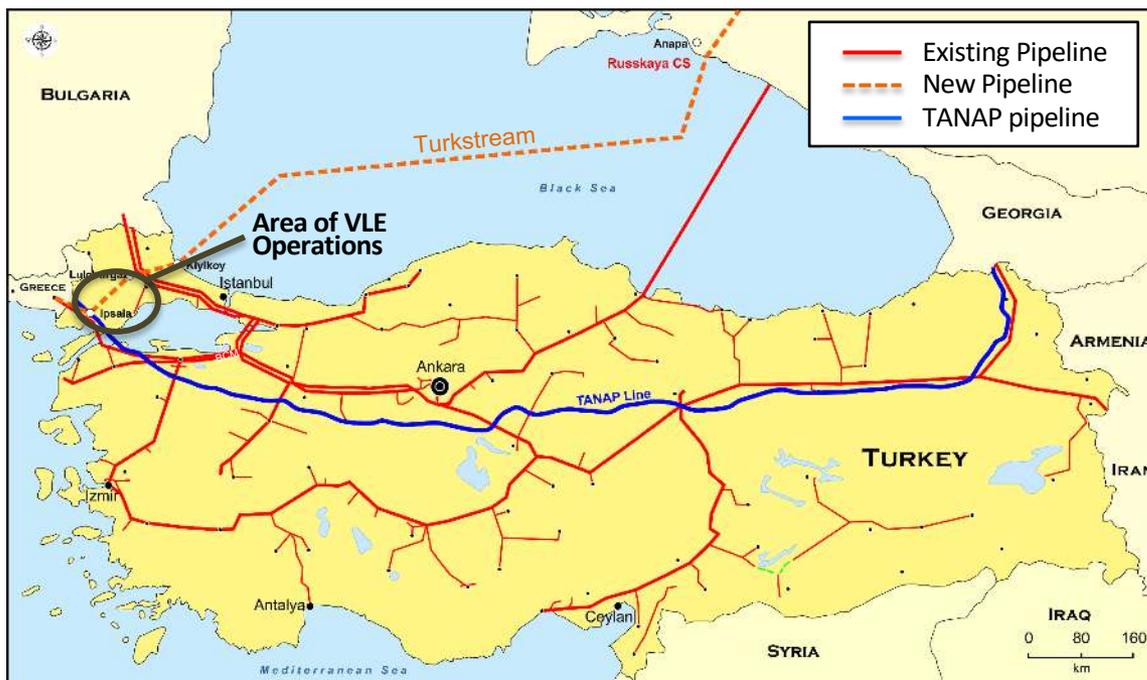
Debt	nil
Working Capital	\$52.8 MM
Gas price	\$9.64/Mcf
Netback	\$33.04/Boe

Capital Structure⁴

Shares o/s	86.6 MM
Fully Diluted	92.4 MM
Share Price	\$0.85/share
Market Cap	\$73.6 MM

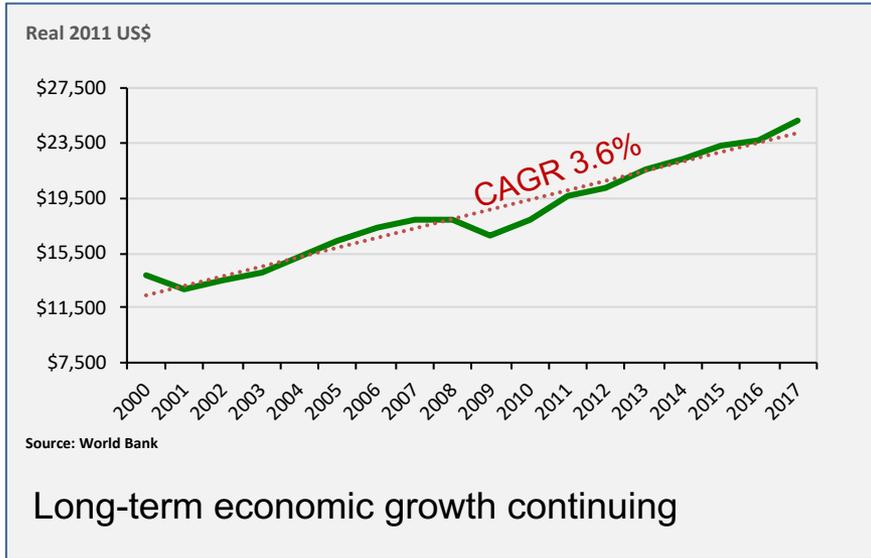
1. Q3 2019
2. Valeura working interest, unrisks recoverable natural gas prospective resource.
3. As of December 31, 2018
4. Based on TSX closing price and shares in issue as of November 7, 2019

All dollar figures are in Canadian dollars

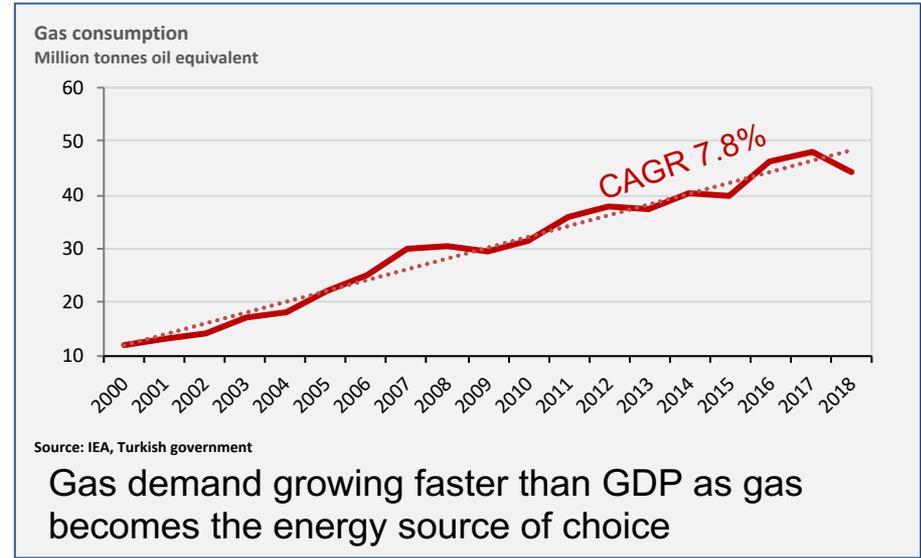


Turkey – Growing Gas Market Fundamentals

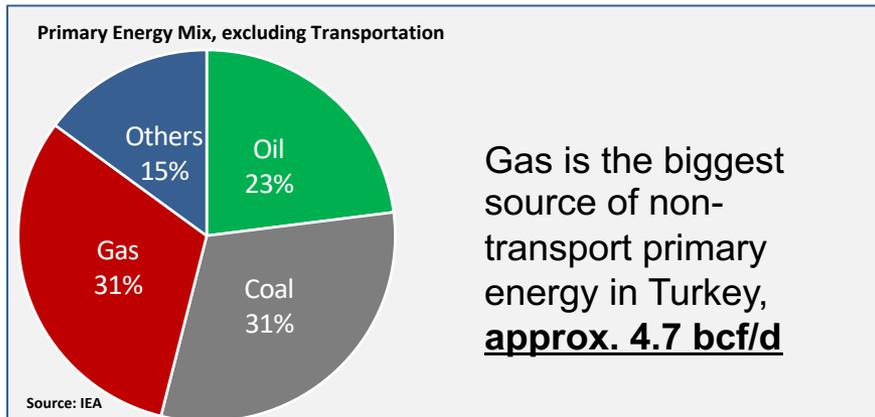
Turkey's economy is growing



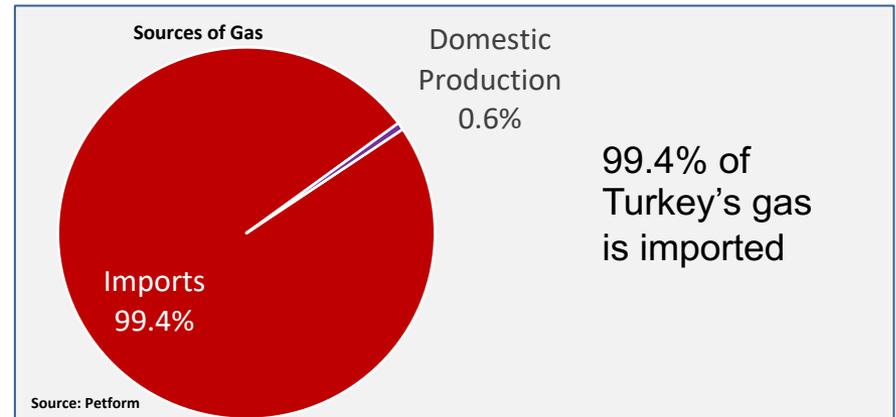
Gas demand mirrors GDP growth



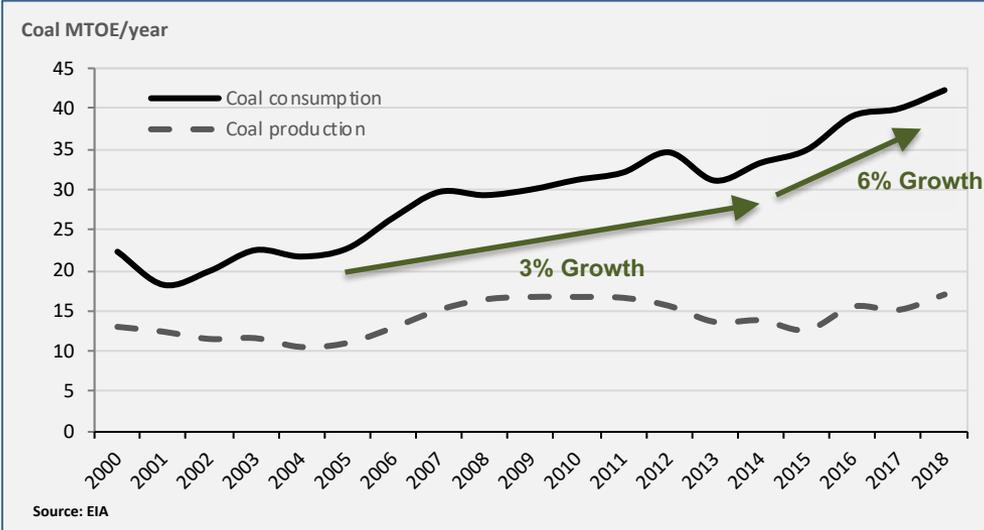
Heavily reliant on gas



All Gas is imported

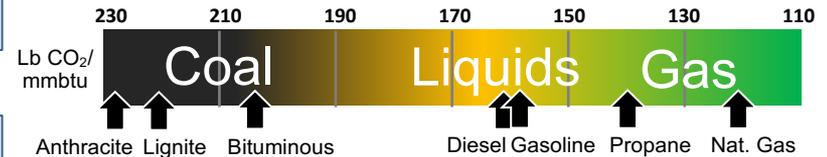
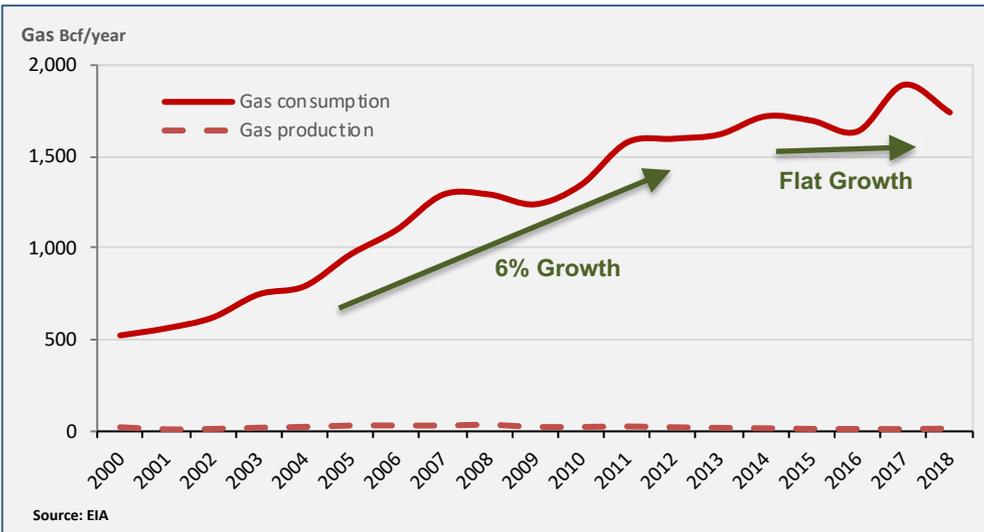


Domestic Gas can reduce Turkey's CO₂ emissions



Coal consumption is growing

- Turkey wants to become more energy self-sufficient
- Substantial domestic supply of coal (>95% of it is high CO₂ lignite)
- 40% of coal consumption is produced domestically
- Coal consumption is growing 6%/year

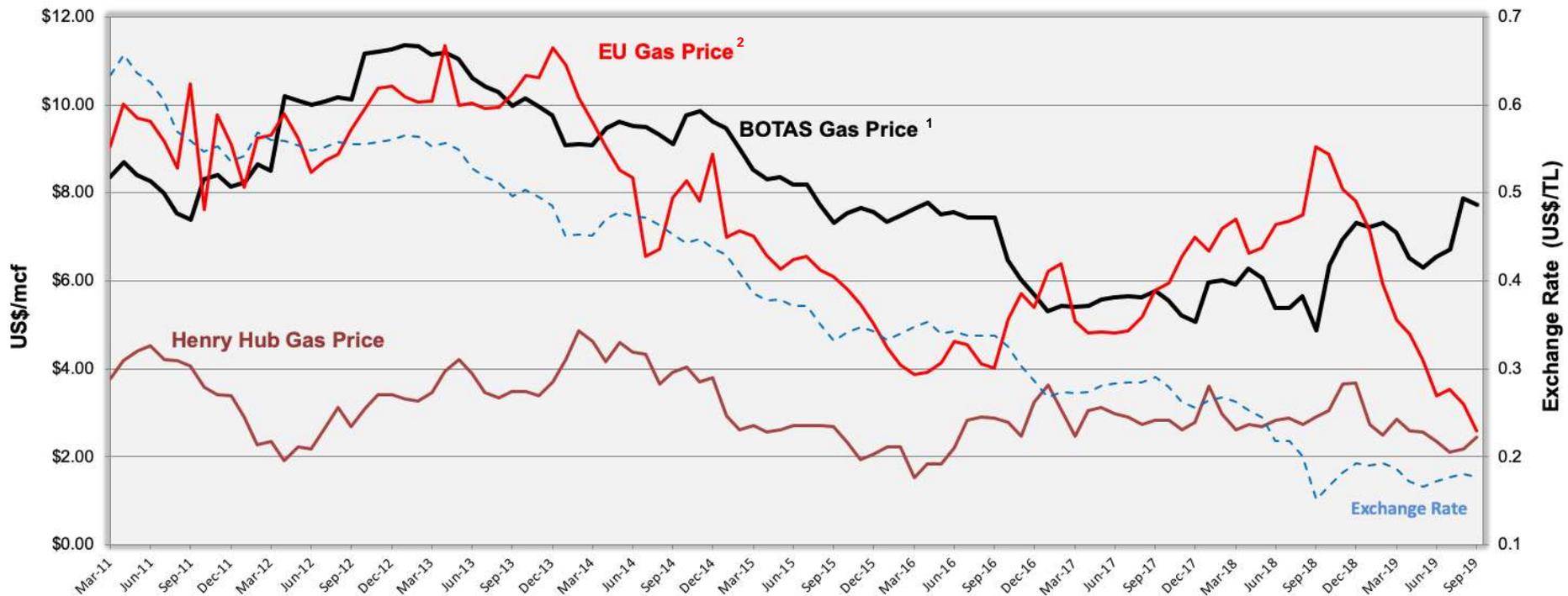


Domestic gas offers longer-term benefits

- Only 1% of gas consumption is produced domestically
- Developing a major gas resource play in Turkey reduces reliance on imports
- More gas in Turkey's energy mix reduces CO₂ emissions

Strong Natural Gas Pricing in Turkey

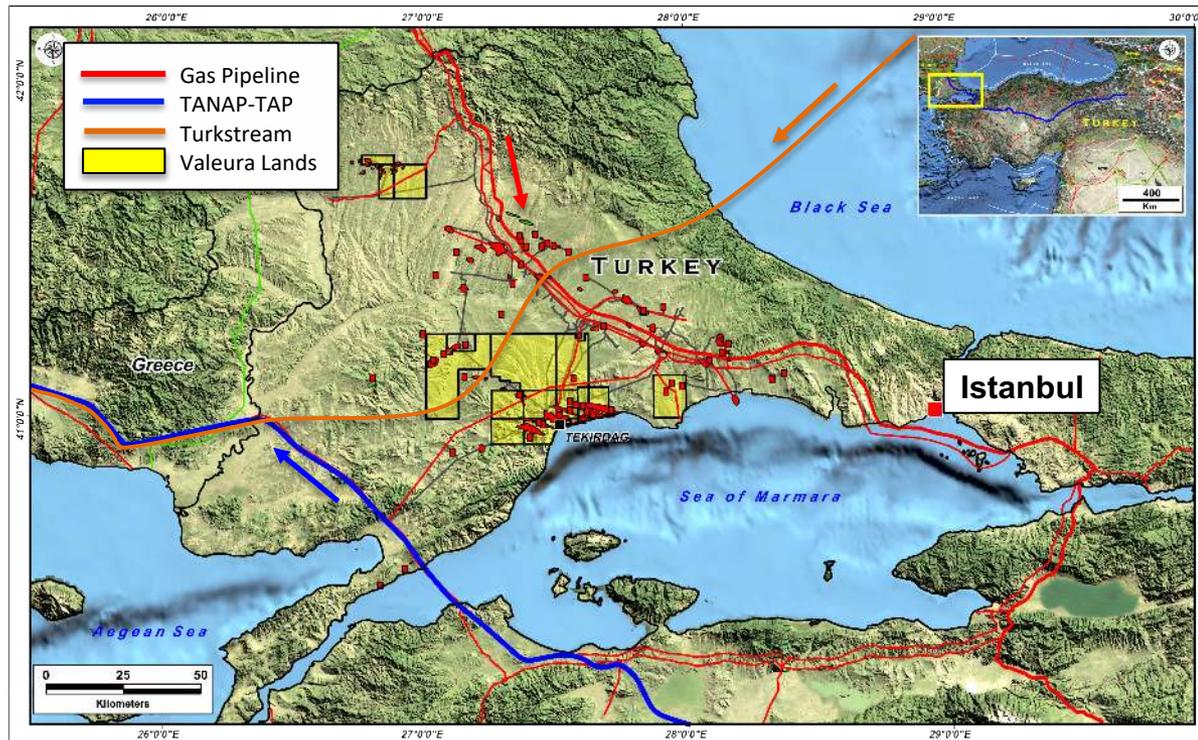
- BOTAS import contracts confidential, price has historically behaved like dampened EU gas price
- **Recent price adjustments** account for 1) global energy price variations, and 2) Turkish Lira valuation
- BOTAS Gas Price increased 15% on August 1, 2019, currently approximately \$10/Mcf



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 2018 AIF for further discussion.

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

Land Position Surrounded by Gas Infrastructure



Dominant Land Position

- Valeura acreage covers ~80% of the total BCGA play¹
- All BCGA prospective acreage is operated by Valeura
- 255,662 net acres deep rights
 - Up to 40 year term for Production Leases
 - Can convert 100% of exploration area to production if a proven area (e.g. unconventional play)
- Shallow rights covering 373,588 net acres

Existing Gas Infrastructure

- Valeura operates the local network of gas processing facilities and sales lines
- Deep appraisal wells can be production tested on a long-term basis and generate cash flow
- Existing gas sales network capacity sufficient for BCGA appraisal and pilot development projects
- Several proximal tie-in points to access Turkish main domestic grid or export lines to Europe

¹ Based on Valeura's P50 BCGA outline

Successful Strategy to Test Unconventional Play (BCGA)

2011-2013 Identify Potential

- Valeura identified potential for an unconventional play in Thrace Basin based on drilling results and regional geological modelling

2013-2016 Commercial Positioning

- Valeura captured rights to majority of Thrace Basin BCGA fairway
- Bought out partner and became operator
- Brought in Equinor (Statoil) via farm-in to fund testing of BCGA
 - Equinor to earn 50% WI
 - Est. total spend approx. US\$100 mm

2017 Discovery

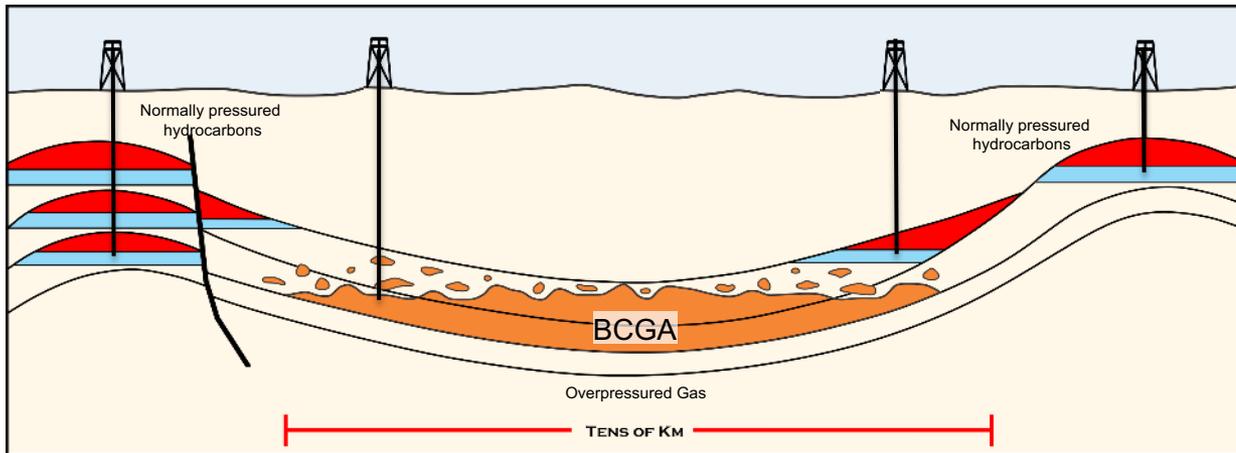
- Drilled Yamalik-1
- Discovered 1,300m of highly over-pressured gas/condensate filled sands
- External resource evaluation indicates 10.1 Tcfe net recoverable resource

2018-2019 Appraisal

- C\$60 million raised through oversubscribed bought deal financing
- Inanli-1 and Devepinar-1 confirmed reservoir and over-pressured gas, 6km and 20km from Yamalik-1, respectively
- Inanli-1 stimulation and testing produced gas at stable rates from four separate intervals
- Devepinar-1 stimulation and testing programme under way

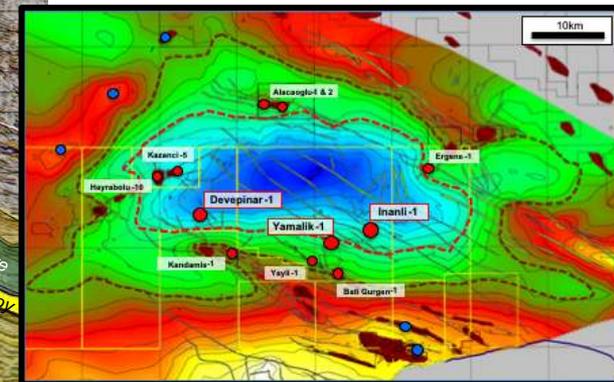
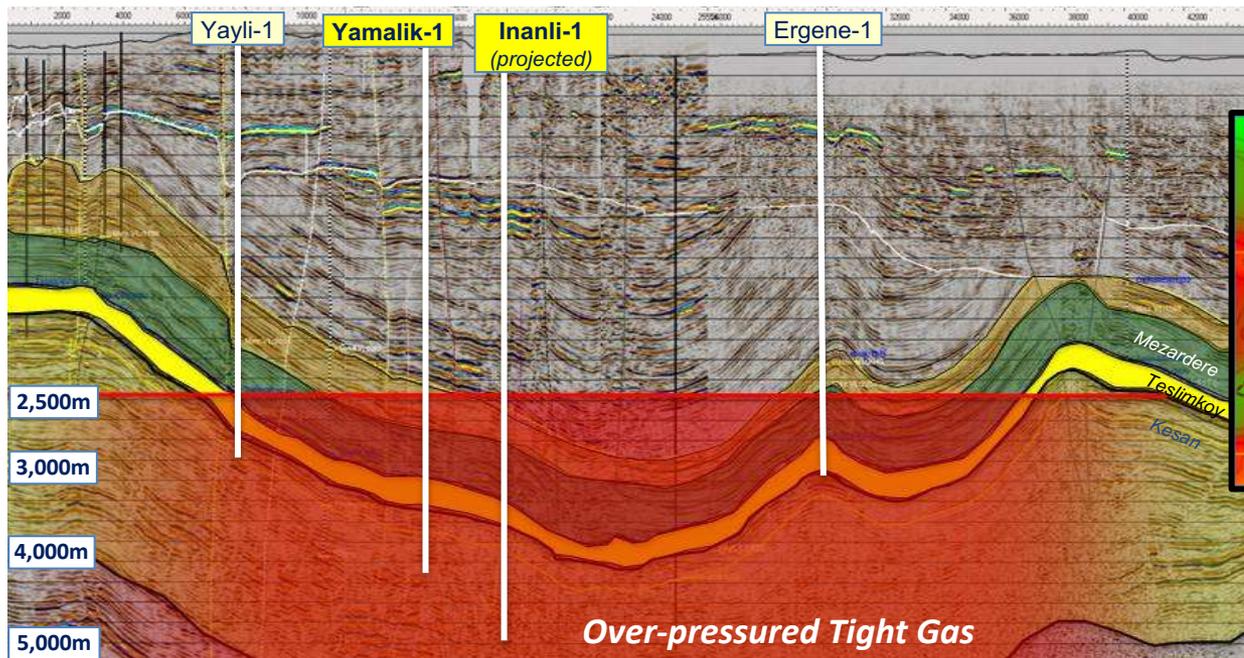
¹ Valeura working interest, unrisks recoverable natural gas prospective resource. From D&M Prospective Resource Report (February 2018)

Three wells have each drilled >1km over-pressured gas

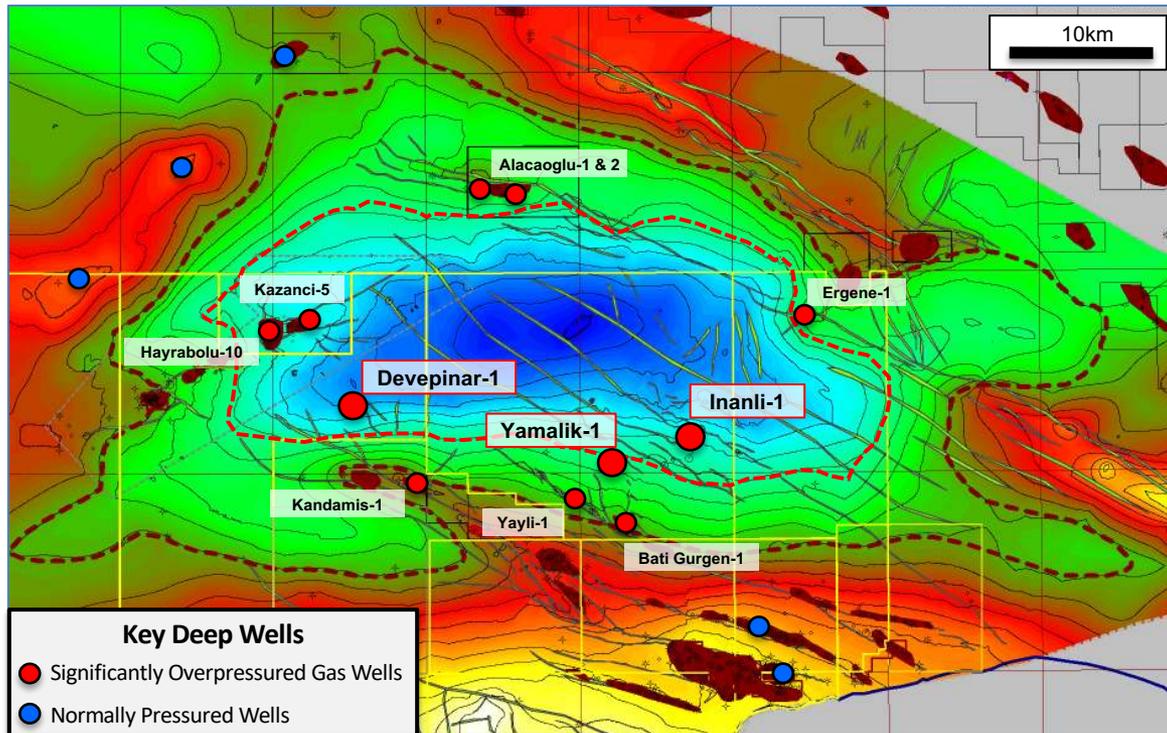


What is a BCGA?

- Pervasive, basin-centered gas accumulations trapped in low permeability rock
- "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 11 wells around basin encounter over-pressured gas at depth - *Yamalik-1 and Inanli-1 measured ~0.8 psi/ft at depth (almost double water gradient)*
 - All reservoirs above normal temperature at depth
- **Lack down-dip water contacts in wells**
 - Gas present in objective formations to well TDs

- **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, Inanli-1, and Devepinar-1 all TD'd in gas-filled interval
 - All encountered significantly over-pressured sandstone
 - Each well intersected >1,300m of objective section

Gas Volumes and Upside Potential

D&M 2018 BCGA Prospective Resource Report

Recoverable Unconventional Natural Gas (Bcf)

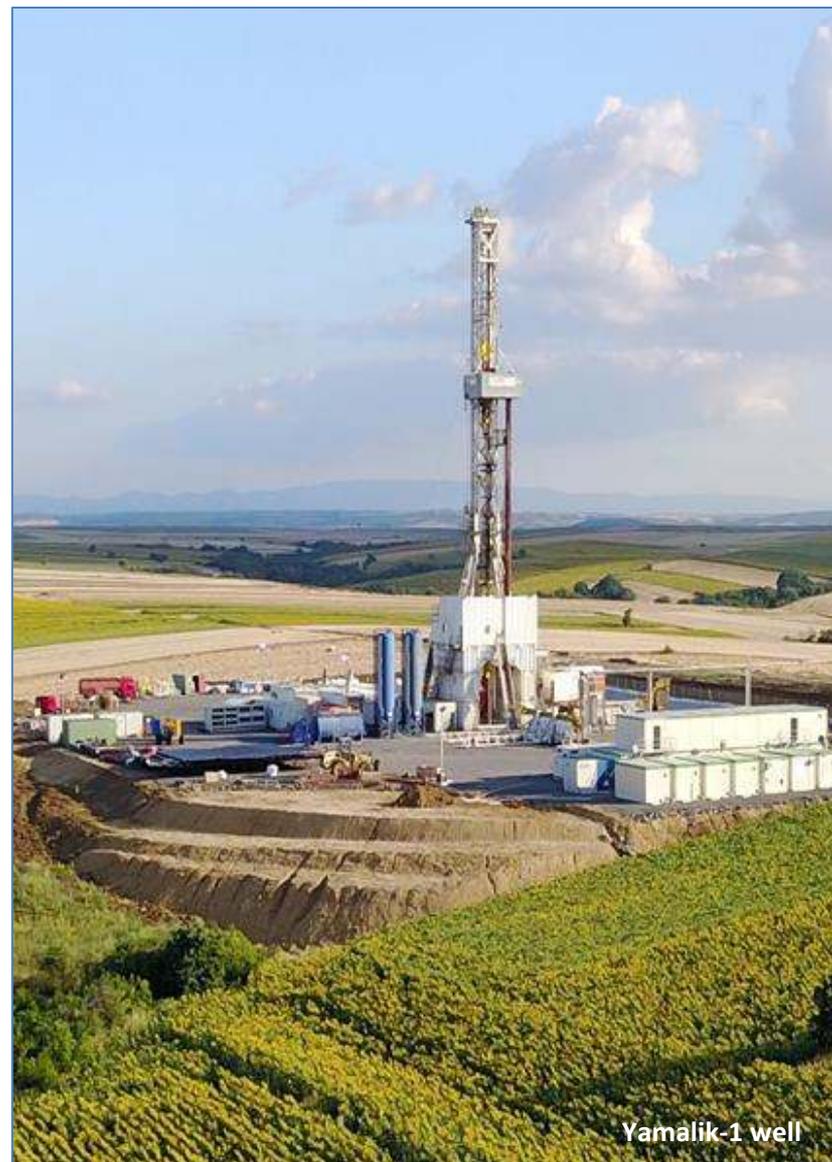
Unrisked (Valeura Working Interest Lands)			
Low Estimate	Best Estimate	High Estimate	Mean Estimate
3,229	7,652	20,077	10,137

- Mean Gross Area: 250,000 acres
- Mean Net unrisked Estimate: 10.1 Tcf
- Chance of Commerciality: 51%
- Mean Net Risked Estimate: 5.2 Tcf

Recoverable Condensate (MMbbls)

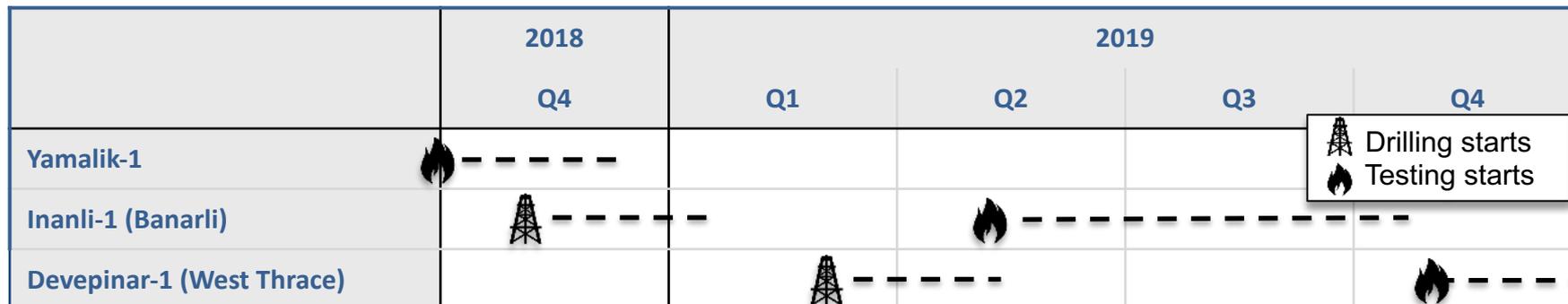
Unrisked (Valeura Working Interest Lands)			
Low Estimate	Best Estimate	High Estimate	Mean Estimate
45	155	504	236

- Mean Net unrisked Estimate: 236 MMbbls



Appraisal Focus: Production Flow Testing

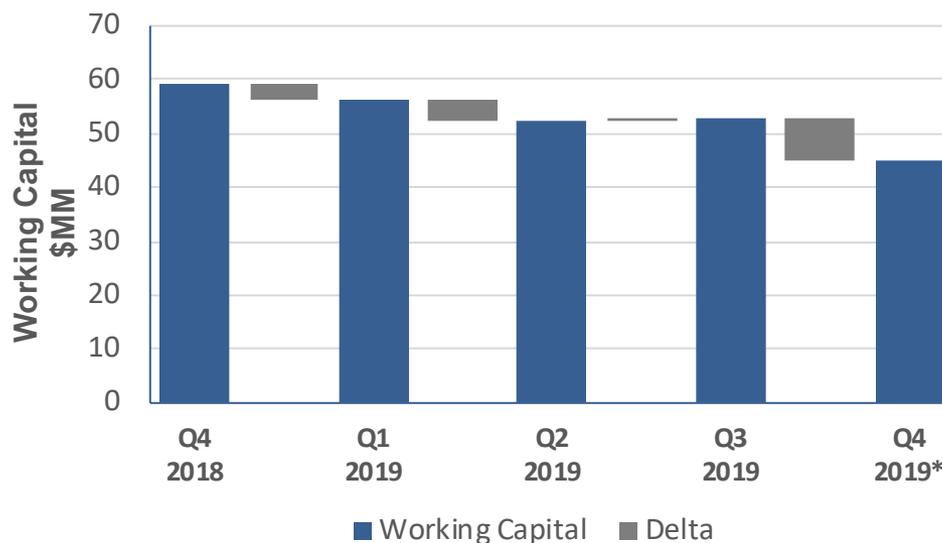
Appraisal programme now focusing on stimulation and production testing



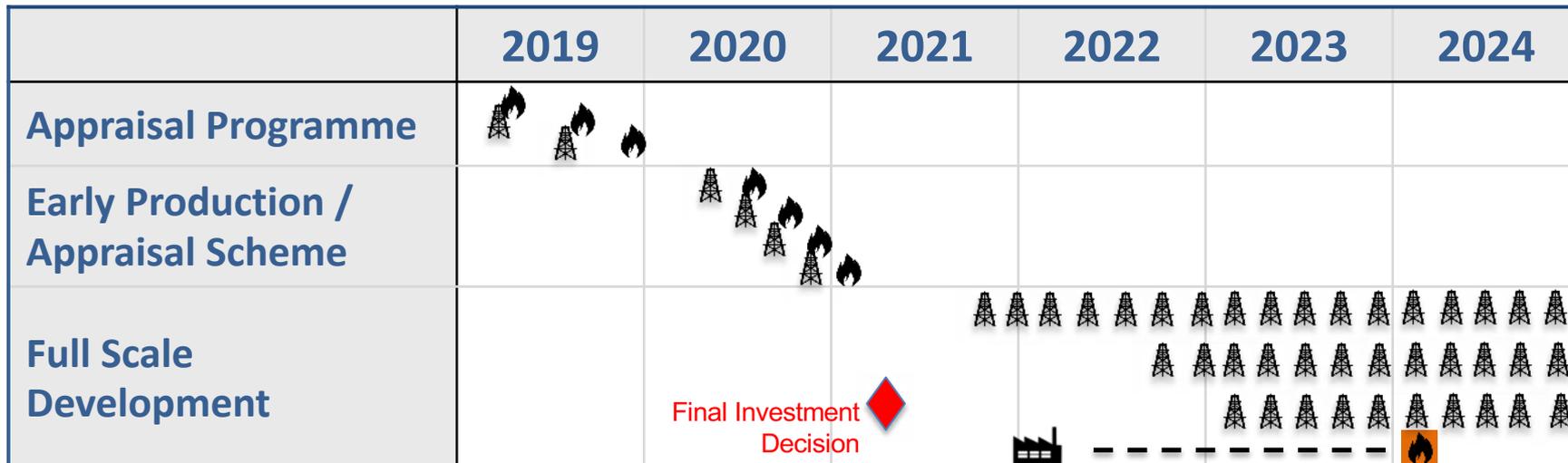
Commercial Flow Potential

- Continued stimulation and flow testing of discrete levels within BCGA interval 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
- Demonstrate the condensate potential both vertically in the section and laterally across the basin

Valeura is fully funded for the Appraisal Programme

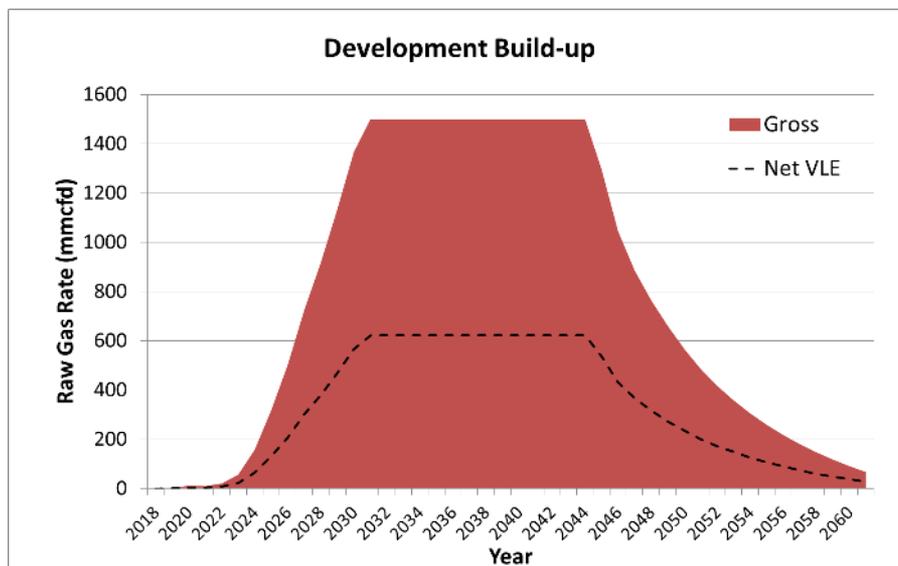


BCGA Conceptual Development Timeline



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

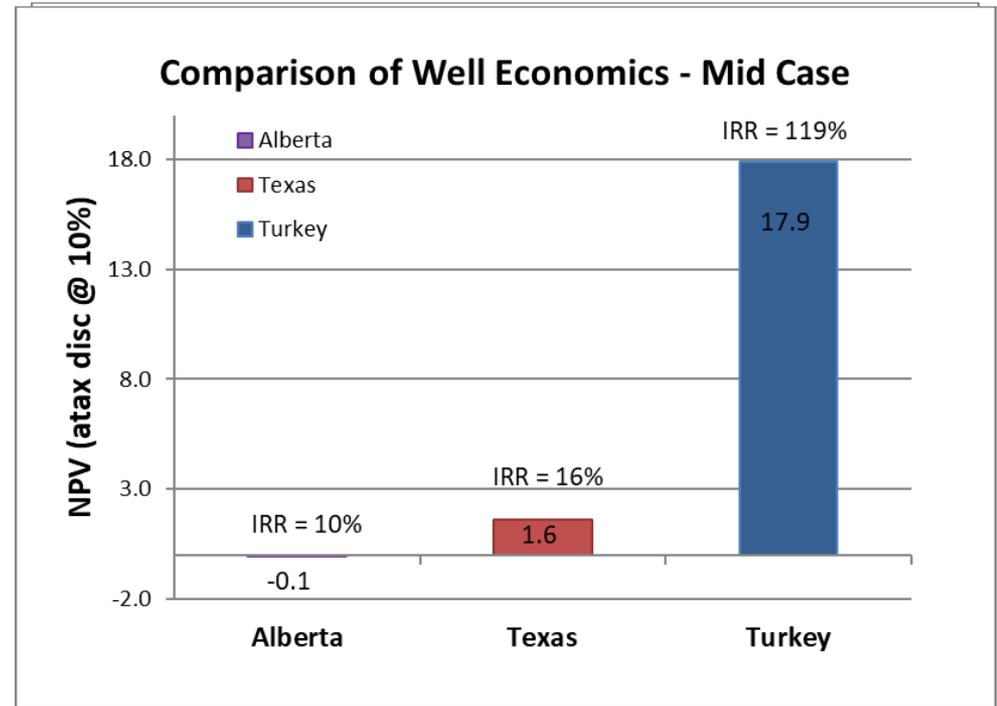


Fiscal Terms & Gas Price Comparison

- **Assumes an identical horizontal well**
 - Capital cost of US\$9 million
 - Generic production decline with an Estimated Ultimate Recovery of 7.7 Bcfe

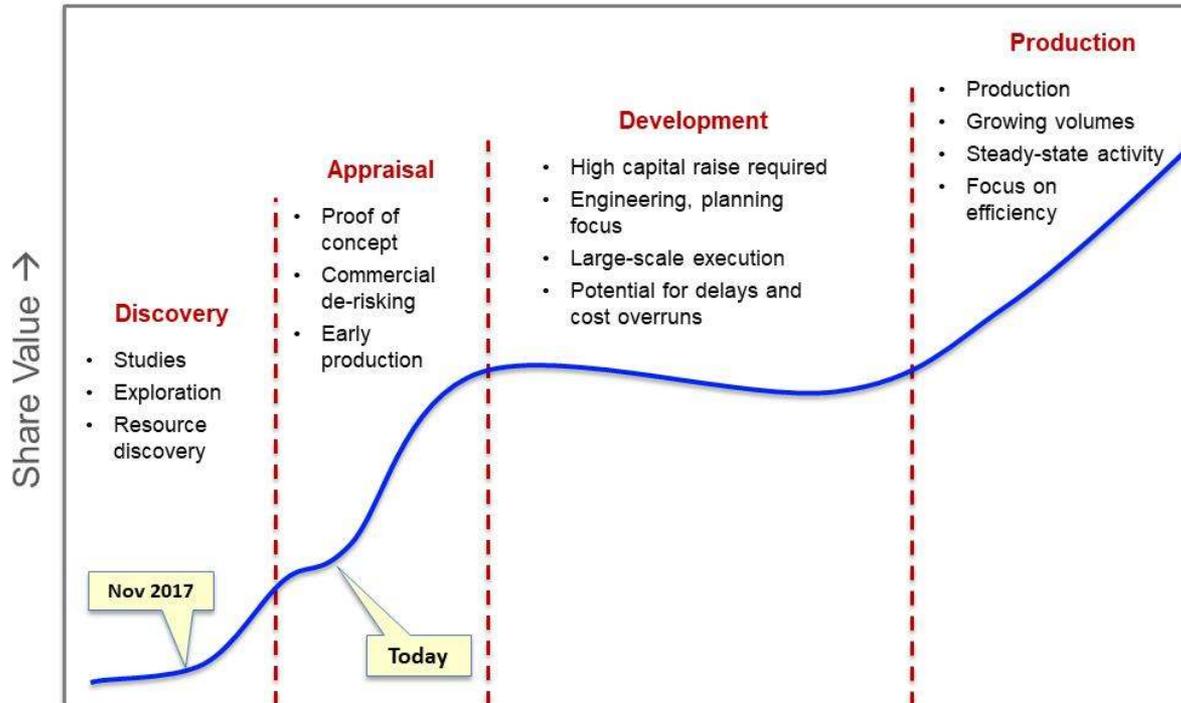
- **Fiscal terms & Prices adjusted for each region**

- **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) Production curve is generic and representative for unconventional production: 83% decline in Year 1, condensate gas ratio of 31.3 bbls/mmcf
- (2) All net present values after tax, discounted at 10%, midyear. Costs escalated at 1.5%/year
- (3) Costs are half-cycle, including drilling and completion (D&C) costs only and excluding equipment, tie-in and facility costs
- (4) Product price assumptions:
 - a) Turkey: 7\$US/mmbtu gas plant gate escalated at 2.9%/year (World Bank European price forecast), 65\$US/bbl condensate price escalated at 1.5%/year
 - b) 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
 - c) Alberta: 1.55\$CAD/mmbtu AECO and 67\$US/bbl WTI minus 3\$ US/bbl for condensate, prices escalated at 1.5%/year
- (5) Royalty rate for Texas assumed 22.5% freehold

Valeura – Positioned for Realising Upside Value

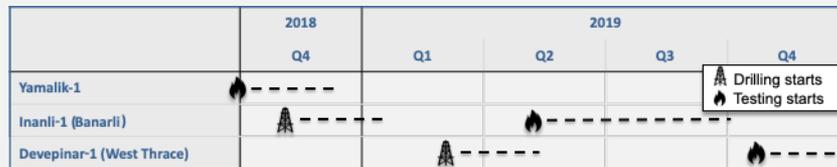


World Class Project

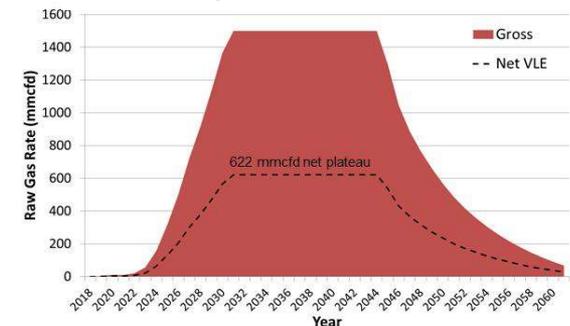
- 12.5 Tcfe Risked Resource
- 5.2 Tcfe Risked Net Valeura
- High Value Gas
- Proximal to major gas infrastructure
- Major domestic gas market and on Europe’s “Doorstep”
- 20-40 Year Project Life
- Excellent partner in Equinor

Immediate Activity and News Flow

- Appraisal programme continuous from Q3 2018 to Q4 2019
- Focused on flow testing new wells
- Programme fully funded



Production profile for 12.5 Tcfe Gross





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Appendix

Q3 2019 Results

Financial and Operating Results Summary

	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended September 30, 2018
Financial (thousands of CDN\$ except share and per share amounts)			
Petroleum and natural gas revenues	2,860	3,265	2,401
Adjusted funds flow ⁽¹⁾	1,363	1,034	(430)
Net loss from operations	(219)	(2,148)	(2,647)
Exploration and development capital	1,068	4,081	2,739
Net working capital surplus	52,787	52,272	56,337
Cash	50,957	50,581	56,522
Common shares outstanding			
Basic	86,584,989	86,584,989	86,136,988
Diluted	92,406,655	92,406,655	90,831,655
Share trading			
High			4.85
Low	3.60	3.16	2.58
Close	1.91	2.09	4.18
	2.66	2.32	
Operations			
Production			
Crude oil (bbl/d)	18	-	-
Natural Gas (Mcf/d)	3,078	4,202	3,931
BOE/d (@ 6:1)	531	700	655
Average realised price			
Crude oil (\$ per bbl)	79.07	-	-
Natural gas (\$ per Mcf)	9.64	8.54	6.64
Average Operating Netback (\$ per BOE @ 6:1) ^{(1) (2)}	33.04	28.55	23.63

Notes:

See the Company's Management's Discussion and Analysis for the three and six months ended June 30, 2019 and 2018 filed on SEDAR for further discussion.

- (1) The above table includes non-IFRS measures, which may not be comparable to other companies. Adjusted funds flow is calculated as net income (loss) for the period adjusted for non-cash items in the statement of cash flows. Operating netback is calculated as petroleum and natural gas sales less royalties, production expenses and transportation.
- (2) BOTAS regularly posts prices and its Level-2 Wholesale Tariff benchmark is shown herein as a reference price. See the Company's 2018 Annual Information Form filed on SEDAR for further discussion.

2018 Year-End Company Gross Reserves and Values (1)(2)(3)(4)

Company Gross Reserves Volumes and Values

	RESERVES (Mboe)			NPV ₁₀ (\$ MILLIONS - \$MM)		
	2018	2017	% CHANGE	2018	2017	% CHANGE
Proved						
Developed producing	502	602	-17	9.6	5.5	75
Developed non-producing	204	311	-34	4.1	4.7	-13
Undeveloped	1,256	1,298	-3	12.6	7.5	68
Total Proved (1P)	1,962	2,211	-11	26.3	17.7	49
Probable	5,388	5,605	-4	61.1	47.1	30
Total Proved Plus Probable (2P)	7,350	7,816	-6	87.5	64.8	35
Possible	4,213	4,433	-5	61	51.2	19
Total Proved Plus Probable Plus Possible (3P)	11,563	12,249	-6	148.5	116.0	28

(1) See "Reader Advisories" on slide 2.

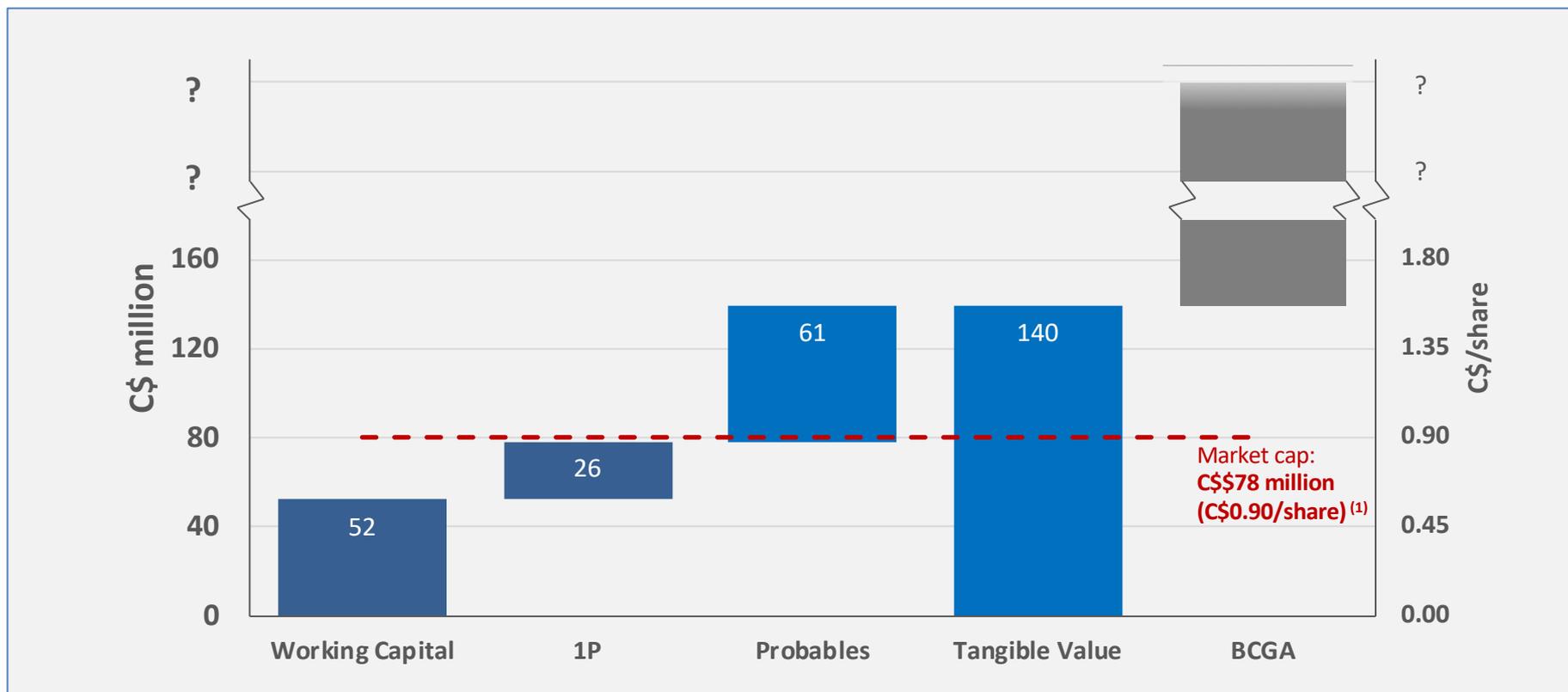
(2) D&M's valuations for reserves in Turkey are prepared in US\$ and have been converted for purposes of this illustration to Cdn\$ assuming a \$Cdn/\$US exchange rate of 0.80 for the year-end 2017 values and 0.73 for the year-end 2018 values.

(3) The forecast prices used in the calculations of the present value of future net revenue for year-end 2017 are based on the D&M December 31, 2018 forecast prices.

(4) Due to rounding, summations in the table may not add.

Sum of the parts

Value of the business



Current market cap⁽¹⁾ is approximately equal to Working Capital⁽²⁾ plus 1P reserves⁽³⁾

45% discount to Tangible Value (2P reserves⁽³⁾ + WC)

10.1 Tcf of prospective resource⁽⁴⁾ is not reflected in share price

1 Closing TSX share price on October 24, 2019, with 86 million shares outstanding

2 As of June 30, 2019

3 D&M Reserves Evaluation as of Dec 31, 2018.

4 D&M Resource Evaluation (mean estimate): 10.1 Tcf.



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Key Spokespersons

Valeura Energy Inc.

Sean Guest, President and CEO

Steve Bjornson, CFO

Robin Martin, Investor Relations Manager

Phone: +1 403 237 7102

General Inquiries: Contact @valeuraenergy.com

Investor Inquiries: IR@valeuraenergy.com

Media Inquiries

CAMARCO Financial PR

Owen Roberts

Billy Clegg

Phone: +44 (0) 20 3757 4980

Email: Valeura@camarco.co.uk