Press Release – August 10, 2017

VALEURA ANNOUNCES SECOND QUARTER 2017 FINANCIAL AND OPERATING RESULTS

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report highlights of its unaudited financial and operating results for the three and six month periods ended June 30, 2017 and an update on subsequent developments. The complete quarterly reporting package for the Corporation, including the unaudited financial statements and associated management's discussion and analysis ("**MD&A**"), has been filed on SEDAR at www.sedar.com and posted on the Corporation's website at www.valeuraenergy.com.

"We are very excited about the drilling results at the Yamalik-1 deep exploration well, which have exceeded our expectations in terms of the extent of over-pressure, gas saturations and net pay, based on the drilling and wireline log analysis", said Jim McFarland, President and Chief Executive Officer. "We are working diligently with Statoil to design a fulsome completion, multi-stage fracing and testing program and to begin execution by early Q4 2017. In the meantime, the new 500 square kilometre 3D seismic program funded by Statoil is progressing well with target completion of the recording phase by early in Q4 2017. Discussions are also underway with Statoil on the program for 2018. Under the Banarli farm-in agreement (the "**Banarli Farm-in**"), Statoil Banarli Turkey B.V. ("**Statoil**") must drill, complete and test a second deep exploration well to earn 50% in the deep rights, with Valeura retaining 50%.

"The planned seven well shallow gas drilling program in 2017 is nearing completion with five wells drilled to date, all of which have been cased. While production additions in aggregate from these new wells are below expectations, two of the wells were commitment wells which are expected to hold the shallow and deep rights on the West Thrace lands. Our extensive workover program in 2017 has delivered strong results and has been decisive in mitigating natural declines. We plan to pause the shallow gas drilling program after the sixth planned well, Karaevli-6, in order to assess drilling results and well performance to date, refresh the prospect portfolio and seek required government approvals for any new locations. This pause also provides us with financial flexibility in the event the pace of the deep program with Statoil is accelerated in 2018, based on the positive deep drilling results to date", adds McFarland.

Q2 2017 RESULTS AND SUBSEQUENT DEVELOPMENTS AT A GLANCE

- **Yamalik-1 deep exploration well drilled with positive evaluation results**
- **Net sales 934 boe/d**
- **Funds flow from operations $1.0 million**
- **Working capital surplus $8.6 million**
- **Natural gas price realization $7.34/Mcf**
- **Operating netback $22.38/boe**
- **Exploration & development capital expenditures $4.0 million**

(See below for definitions and advisories)

TRANSACTIONAL HIGHLIGHTS

- An affiliate of Valeura closed the sale of an additional 10% participating interest in the deep rights on the West Thrace lands in the Thrace Basin of Turkey to Statoil on June 22, 2017 for US$3 million ($4.0 million) (the "**Subsequent West Thrace Deep Rights Sale**"), following receipt of Turkish government approvals.

OPERATIONAL HIGHLIGHTS

- Net petroleum and natural gas sales in Turkey in Q2 2017 averaged 934 barrels of oil equivalent per day ("**boe/d**"), which was up 16% from Q1 2017 reflecting the acquisition of Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**"), which closed on February 24, 2017 (the "**TBNG Acquisition**"). Net sales were unchanged from Q2 2016, with additions from the TBNG Acquisition, well workovers and one new drill being offset by natural declines. Net sales in Q2 2017 included 5.6 million cubic feet per day ("**MMcf/d**") of natural gas, representing more than 99% of net petroleum and natural gas sales.
- Current net sales are approximately 1,100 boe/d reflecting additions from workovers and new drills, partially offset by natural declines.

Banarli Deep Exploration Program

- The first deep exploration well, **Yamalik-1**, under the Phase 1 of the Banarli Farm-in with its partner Statoil, was spudded on May 13, 2017 and was rig released on July 22, 2017. The well was operated by Valeura and 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 was within budget despite the additional time required to drill 200 metres deeper and acquire additional core based on positive drilling results. 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. 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 in Yamalik-1 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. Interpreted pressures were up to 0.79 pounds per square inch per foot (17.9 kilopascals per metre) or 82% higher than a normal water gradient. 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 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.
- Further analysis of the Yamalik-1 well logs and 130 metres of new core data is progressing to finalize the design and cost estimate for the completion and testing program, which is expected to commence by early Q4 2017. Commerciality of the Yamalik-1 well will be determined after the completion and testing program.
- The Karaca 3D seismic program under Phase 2 of the Banarli Farm-in is also well underway, with more than 180 square kilometres recorded to date out of a planned scope of approximately 500 square kilometres. The survey is expected to be completed by early Q4 2017 with Statoil funding 100% of the agreed budget of US$10 million. Valeura is also the operator of the seismic program.

TBNG JV and Banarli Shallow Gas Drilling and Workover Program

- Upon assuming operatorship of the TBNG JV, Valeura put a renewed emphasis on well workovers to mitigate natural declines. To date the Corporation has completed 27 workovers which have essentially offset natural declines in the production base.
- Valeura has to date also drilled and cased five of the planned seven shallow gas wells budgeted for 2017, of which three wells are on-stream, one well has been completed but remains under evaluation and a fifth well is preparing to complete and test. Two of these wells, **Dogu Atakoy-3** drilled in Q1 2017 and **Sariyer-1** drilled in Q2 2017, were commitment wells that are expected to hold the shallow and deep rights on the West Thrace lands.
- In Q2 2017 the second well in the 2017 program, **Dogu Kilavuzlu-2**, located on the TBNG JV lands at South Thrace (Valeura 81.5% participating interest) was spudded on May 22, 2017 and drilled to a total depth of 1,260 metres and cased. The well is tied-in and has been on-stream since June 30, 2017. The well is currently producing at a rate of approximately 0.1 MMcf/d (gross).
- The third well in the program, **Sariyer-1**, located on the TBNG JV lands at West Thrace (Valeura 81.5% participating interest) was spudded on June 7, 2017 and drilled to a total depth of 2,420 metres and cased. The most attractive zone at a depth of 2,050 metres was perforated and on a short six-hour test, flowed at a rate of approximately 20 barrels of oil and 460 barrels of water per day. This liquids discovery is under review, including correlations with another offsetting small oil producer Bati Kazanci-4. (See advisories below regarding well-test flow rates).
- The fourth well in the program, **Koseilyas-2**, located on the TBNG JV lands at South Thrace (Valeura 81.5% participating interest) was spudded on July 6, 2017 and drilled to depth of 1,107 metres and cased. The well is tied-in and has been on-stream since August 9, 2017. The well is currently producing at a rate of approximately 0.9 MMcf/d (gross).
- The fifth well in the program, **Aydinkoy-1**, located on the Banarli licences (Valeura 100% participating interest) was spudded on July 19, 2017 and drilled to a total depth of 2,821 metres and cased. Preparations are underway to complete and test the well.

- The Corporation expects to spud the sixth shallow gas well in the 2017 program at Karaevli-6 on the South Thrace lands (Valeura 81.5% participating interest) with a target depth of 1,100 metres.

FINANCIAL HIGHLIGHTS

- Funds flow from operations was $1.0 million in Q2 2017 compared to funds flow used in operations of $2.9 million in Q1 2017 reflecting the absence of non-recurring expenses associated with the TBNG Acquisition, which closed in Q1 2017. Funds flow from operations in Q2 2017 was down 54% from Q2 2016 due to lower natural gas price realizations and higher operating costs (operational employee bonuses and non-recurring maintenance expense), partially offset by lower royalties. (See discussion below regarding non-IFRS measures).
- Exploration and development capital expenditures were $4.0 million in Q2 2017, up 107% and 25% from Q1 2017 and Q2 2016, respectively, due to higher drilling and workover expenditures.
- Dispositions of $4.0 million in Q2 2017 reflect the funds received from Statoil for the Subsequent West Thrace Deep Rights Sale.
- The net working capital surplus at June 30, 2017 was $8.6 million, including cash of $9.9 million (excludes restricted cash of $3.6 million).
- The average natural gas price realization in Turkey of $7.34 per thousand cubic feet ("**Mcf**") in Q2 2017 was up 4% from Q1 2017 due to some strengthening in the value of the Turkish Lira, and down 22% from Q2 2016 due to a 10% reduction in the BOTAS Reference Price (in Turkish Lira) effective October 1, 2016 and a decline in the value of the Turkish Lira.
- The average operating netback of $22.38 per boe in Q2 2017 was down 22% from Q1 2017 due to higher unit operating costs (reflecting non-recurring expense) and higher unit royalties, partially offset by higher natural gas price realizations, and down 48% from Q2 2016 due to lower natural gas price realizations and higher unit operating costs, partially offset by lower unit royalties. The operating netbacks for 2017 are well below the forecasted average operating netback of $35.00 per boe due to lower natural gas price realizations, which have been negatively impacted by a further devaluation of the Turkish Lira, and higher operating costs. (See discussion below regarding non-IFRS measures).
- Additional financial and operating results are summarized in the Table 1 below.

Table 1 Financial and Operating Results Summary [(1)]

(thousands of Canadian dollars, except share and share trading amounts, and as otherwise stated)	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Six Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Financial					
Petroleum and natural gas revenues	3,764	3,088	6,852	4,809	9,137
Funds flow from (used in) operations [(1)]	959	(2,883)	(1,924)	2,098	4,067
Net loss from operations	(526)	(2,001)	(2,527)	(642)	(1,634)
Exploration and development capital	4,011	1,932	5,943	3,215	5,919
Acquisitions	-	21,450	21,450	-	-
Dispositions	(3,973)	(22,315)	(26,288)	-	-
Net working capital surplus	8,618	7,545	8,618	5,741	5,741
Cash	9,903	5,760	9,903	4,611	4,611
Common shares outstanding					
Basic	73,148,321	73,148,321	73,148,321	58,452,801	58,452,801
Diluted	79,731,821	79,062,821	79,731,821	63,367,301	63,367,301
Share trading					
High	0.85	1.00	1.00	1.44	1.44
Low	0.62	0.63	0.62	0.60	0.60
Close	0.70	0.68	0.70	1.24	1.24
Operations					
Production					
Crude oil (bbl/d)	9	3	6	7	8
Natural Gas (Mcf/d)	5,550	4,825	5,189	5,560	5,129
boe/d (@ 6:1)	934	807	871	933	862
Average reference price					
Brent ($ per bbl)	66.63	71.28	68.82	57.81	51.31
BOTAS Reference ($ per Mcf) [(2)]	7.47	7.12	7.29	9.78	10.01
Average realized price					
Crude oil ($ per bbl)	68.39	72.83	69.64	54.41	46.09
Natural gas - Turkey ($ per Mcf)	7.34	7.06	7.21	9.44	9.72
Average Operating Netback ($ per boe @ 6:1) [(1)]	22.38	28.62	25.25	43.02	44.31

Notes:

(1) The above table includes non-IFRS measures, which may not be comparable to other companies. Funds flow from operations 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 costs. See MD&A for further discussion.

(2) 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 a reference price. See the 2016 Annual Information Form for further discussion.

2017 OUTLOOK

Given the positive drilling results on the Yamalik-1 well, the completion, multi-stage fracing and testing program is expected to proceed under the Banarli Farm-in and commence by early Q4 2017. The recording phase of the Statoil funded Karaca 3D seismic program is expected to be completed by early in Q4 2017 with processing to follow. Completion of these programs would fulfill Phase 1 and 2 of the Banarli Farm-in. To earn 50% in the deep rights, Statoil would need to commit to Phase 3, which requires the drilling, completion and testing of a second deep well with a minimum depth of 4,000 metres and a minimum investment of US$10 million. Discussions are underway with Statoil to develop the plan for the joint venture in 2018, including the number of wells to drill, complete and test, including potential post-earning drilling.

The Corporation plans to spud the sixth well in the 2017 shallow gas drilling program at Karaevli-6 on the TBNG JV lands in late August 2017, following which the program will be paused to assess results to date, refresh the portfolio and seek government approvals for new drilling locations. The Corporation is looking forward to early interpreted results from the new 500 square kilometre Karaca 3D seismic program, which should be available in Q1 2018. This new seismic is expected to add to the shallow gas prospect and lead inventory on the Banarli licences and West Thrace lands.

In view of lower than expected additions from the shallow gas drilling program and reduced scope, the Corporation has reduced its outlook for 2017 exit rate net sales from 1,500 boe/d to a target range of 1,000 to 1,100 boe/d. This outlook is based on a $2.0 million reduction in the 2017 capital program to $13 to $14 million (net) for six shallow gas new drills and an extensive workover program. This pause in the shallow gas drilling program also provides a measure of financial flexibility in the event the pace of the deep program with Statoil is accelerated in 2018, based on the positive drilling results at Yamalik-1.

(See advisories below regarding outlook disclosures)

ABOUT THE CORPORATION

Valeura Energy Inc. is a Canada-based public company currently engaged in the exploration, development and production of petroleum and natural gas in Turkey.

OIL AND GAS ADVISORIES

When used herein, the term "boe" means barrels of oil equivalent on the basis of one boe being equal to one barrel of oil or natural gas liquids, or 6,000 cubic feet of natural gas. Barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf to 1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The well-flow test results and initial on-stream production rates disclosed in this news release are preliminary in nature and may not be indicative of stabilized on-stream production rates. Initial on-stream production rates are typically disclosed with reference to the number of days in which production is measured (e.g. IP30 refers to an initial on-stream average production rate measured over a 30-day period). Initial on-stream production rates are not necessarily indicative of long-term performance or ultimate recovery. To date, 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. All natural gas rates and volumes are presented net of any load fluids.

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 the Yamalik-1 well; the final cost for the Yamalik-1 drilling program; the expected timeline for the Yamalik-1 completion and testing program; and the extent of the Karaca 3D seismic program and the expected timeline and cost; the potential for a basin-centered gas accumulation play and its extent; the Corporation's 2017 and 2018 work program, operational plans (drilling) on the TBNG JV lands and Banarli licences, expected capital expenditures and target exit sales rate; the availability of operating cash flow and the ability to finance development from existing cash and operating cash flow; and tying-in new wells and getting these on-stream. 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 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 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 well completion program and Karaca 3D seismic program; 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 fulfill the drilling commitment on the West Thrace lands. 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

Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this news release.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES