



Press Release – December 18, 2017

## VALEURA UPDATES PRODUCTION TESTING PROGRESS (TEST #3) AT THE YAMALIK-1 WELL

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report that the third of four planned production tests in the Kesan formation at the **Yamalik-1** exploration well in Turkey ("**Test #3**") has been completed with positive results. The results of the first production test ("**Test #1**") and the second production test ("**Test #2**") were announced on November 27, 2017 and December 11, 2017, respectively.

Two slick-water fracs were carried out in Test #3 to access approximately 26 metres of indicated net gas pay over a depth interval from 3,488 to 3,635 metres. The well was produced for a total of 37 hours. Over the final 24 hours of stable flow, the well was produced at an average restricted rate of approximately 0.9 million cubic feet per day ("**MMcf/d**") of natural gas. This rate compares to the final 24-hour rate of 0.8 MMcf/d in both Test #1 and Test #2.

Condensate production in the range of 20 to 30 barrels per MMcf was observed in Test #3. The condensate measurement is subject to considerable uncertainty given the nature of the testing protocol and the short duration of the testing.

(See advisories below regarding initial production rate disclosure)

The Yamalik-1 testing program is continuing and it is expected that a bridge plug will be set above the Test #3 interval prior to executing a planned two-stage frac in the fourth test interval at a mid-point depth of approximately 3,400 metres.

## 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

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 is measured. 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.

A pressure transient analysis or well-test interpretation has not been carried out in respect of the production tests on the Yamalik-1 well.

## 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 extent of the testing program for Yamalik-1. 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; the prospectivity of the deep potential; and the continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. 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: uncertainty regarding the contemplated timelines for the Yamalik-1 testing 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 political turmoil; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; and, risks associated with weather delays and natural disasters. The forward-looking information included in this news release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and Valeura assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law. See Valeura's 2016 AIF for a detailed discussion of the risk factors.

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

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