



VALEURA ANNOUNCES POSITIVE RESULTS FROM THE INANLI-1 APPRAISAL WELL

Calgary, January 28, 2019: Valeura Energy Inc. (TSX:VLE) (“**Valeura**” or the “**Company**”), the upstream natural gas producer focused on appraising and developing an unconventional gas accumulation in the Thrace Basin of Turkey, has finished successfully drilling and logging the Inanli-1 appraisal well.

Highlights

- Inanli-1 drilled to a total depth of 4,885 metres
- The objective section from 3,270 metres to 4,885 metres (1,615 metres gross column) is high net-to-gross sandstone that is interpreted to contain over-pressured gas
- More natural fracturing was encountered than in Yamalik-1, including four stand-out intervals
- Two reservoir sweet-spots were encountered that can be correlated to offsetting wells
- The well is being cased and will be left in a state ready for completion fracking and production testing
- Completion operations are planned to commence around the end of Q1

Drilling operations

Inanli-1 was drilled safely to a total depth of 4,885 metres (“**TD**”), at which point the associated time and cost to trip the drill pipe for a new drill bit drove the decision to call TD. The well is currently being cased and will be left in a state ready for completion, fracking, and production testing. The rig will be released from the location in the coming days and will begin relocating to the next appraisal well location, Devepinar-1.

The key objectives of the well were to prove that the over-pressured, gas-bearing reservoir discovered in the Yamalik-1 exploration well is laterally continuous and is indicative of a basin-centered gas accumulation (“**BCGA**”), to test for effective reservoir and over-pressured gas at deeper depths than Yamalik-1, and to test for the presence of natural fracturing in the reservoir as predicted from the Company’s seismic and geological studies. All of these objectives have been met.

Costs for the drilling, coring and logging evaluation are carried by Equinor Turkey B.V. (“**Equinor**”) under the Banarli farm-in agreement up to 10% above the approved AFE. Current cost estimates suggest the final cost will be approximately 110% of the approved AFE.

Positive evaluation

Based on drilling and wireline logging data, Inanli-1 encountered the top of the primary objective sands at 3,270 metres at the base of the Mezardere Formation, after which high net-to-gross sandstone was present almost continuously down to TD within the Kesan Formation. The well recorded gas shows throughout drilling operations, and based on both drilling and wireline data, the 1,615 metre gross column below 3,270 metres is interpreted to contain over-pressured gas.

The drilling data, core analysis and wireline image logs all indicate that Inanli-1 encountered more natural fracturing than was seen in Yamalik-1. In particular, there are four intervals of interest which stand out as being moderately to intensely fractured, covering approximately 600 gross metres. Two of these are in the shallower

portion of the objective section, in the upper Kesan Formation, while two are deeper, including one just above TD. These results appear to support the pre-drill fracture predictions from the 3D seismic data.

Based on the extensive data acquired, the evaluation suggests that the best reservoir was encountered in the shallower sands of the upper Kesan Formation. In particular, two reservoir sweet spots are interpreted over an interval from approximately 3,270 to 3,750 metres, which also exhibit increased natural fracturing. Importantly, these zones can be correlated laterally to offsetting wells, suggesting that Inanli-1 has encountered the same prospective reservoir intervals as previously observed. The lateral continuity of target reservoir intervals will be important in the future for planning potential horizontal development wells. The matrix porosities of the objective sandstones in Inanli-1 gradually decrease with depth along the compaction trend predicted from the Yamalik-1 core and wireline data. However, natural fracturing is more extensive at this location which could enhance the effective porosity and permeability of these fractured sands at depth. The planned fracking and testing programme on Inanli-1 is expected to test the productivity of these and other interpreted reservoirs in the well.

Sean Guest, President and CEO Commented:

“These results further support the interpretation of a basin-centered gas accumulation in the Thrace Basin. We are encouraged by the results and look forward to now drilling Devepinar-1, 20 kilometres west, to prove that the play is pervasive across the basin.

Our attention is now turning to the completion and testing programme for Inanli-1. With several reservoir sweet spots, and intervals of increased natural fracturing identified, we are eager to test flow rates and are focused squarely on starting the completion process.”

Next steps

Valeura and its partner Equinor are interpreting the Inanli-1 data gathered from drilling, logging, and core to define the fracking and completion programme. As previously announced, fracking and testing operations are planned to commence around the end of Q1.

Additional information relating to Valeura is also available on SEDAR at www.sedar.com and on the Company’s corporate website at www.valeuraenergy.com.

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About the Company

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

Forward-Looking Statements and Cautionary Statements

This news release contains certain forward-looking statements and information (collectively referred to herein as “forward-looking information”) including, but not limited to: the timing for rig release from the Inanli-1 location and relocation to the Devepinar-1 location, Valeura’s intent to frack and production test the Inanli-1 well, timing to commence fracking and testing operations, the cost for the drilling, coring and logging evaluation, the assessment of the resources in the test formations, the potential that the BCGA play is pervasive across the basin, and the effect of natural fracturing on effective porosity and producibility. 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 Company cautions readers and prospective investors in the Company’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 Company.

Forward-looking information is based on management’s current expectations and assumptions regarding, among other things: continued political stability of the areas in which the Company is operating; continued safety of operations; continued timeliness of approvals forthcoming from the Turkish government and regulators in a manner consistent with past conduct; future drilling activity on the expected timelines; 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; and the Company’s continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, the Company’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, fracking and other specialised oilfield equipment and service providers, changes in partners’ plans and unexpected delays and changes in market conditions. Although the Company 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 Company 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 evaluation; 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; 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 the AIF for a detailed discussion of the risk factors.

Additional information relating to Valeura is also available on SEDAR at www.sedar.com

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