



May 26, 2015

For Immediate Release

VALENCIA AND CHELSEA ANNOUNCE \$3 MILLION FINANCING

Toronto, Ontario – Valencia Ventures Inc. (TSXV: VVI) ("**Valencia**" or the "**Company**") announces that the Company and Chelsea Natural Gas Ltd. ("**Chelsea**") have launched a private placement financing (the "**Offering**") of a minimum of 7,500,000 and a maximum of 12,500,000 subscription receipts (the "**Subscription Receipts**") of Chelsea at \$0.40 per Subscription Receipt in connection with the proposed reverse take-over of Valencia (the "**RTO**") as announced on March 27, 2015. Mackie Research Capital Corporation (the "**Agent**") will act as sole Agent and bookrunner for the Offering.

The Subscription Receipts shall be issued pursuant to a subscription receipt agreement to be entered into among Valencia, Chelsea, the Agent, and an escrow agent (the "**Escrow Agent**"). Each Subscription Receipt shall entitle the holder to receive, without payment of any additional consideration, one unit of Chelsea (a "**Unit**") upon the satisfaction of certain conditions, including approval of the TSX Venture Exchange of the RTO (the "**Escrow Release Conditions**"). Each Unit shall be comprised of one Class "D" common share (a "**Class D Share**") of Chelsea and one half (1/2) of one share purchase warrant (each whole warrant, a "**Warrant**") of Chelsea. The gross proceeds from the Offering of Subscription Receipts hereunder (the "**Escrowed Proceeds**") will be held in escrow by Equity Financial Trust Company pending satisfaction of the Escrow Release Conditions.

Provided that the Escrow Release Conditions have been satisfied, each Warrant shall entitle the holder thereof to purchase one additional Class D Share of Chelsea at an exercise price of \$0.70 at any time up to 18 months from the date on which the Escrow Release Conditions have been satisfied (the "**Escrow Release Date**"). Upon completion of the RTO, the Class D Shares of Chelsea shall automatically be exchanged for common shares of the resulting issuer on the basis of one new Valencia share for each Class D Share so held without any further action on the part of the holder.

If the common shares of the resulting issuer trade at or above \$0.90 for ten (10) consecutive trading days the holder of the Warrant will have twenty days to exercise the warrant after which time the warrant will expire. If the Escrow Release Conditions are not met by October 31, 2015, the Escrowed Proceeds shall be returned to the subscribers.

Chelsea will grant the Agent an option (the "**Agent's Option**") exercisable at any time up to and including the Closing of the Offering to increase the size of the Offering by up to 15% in Subscription Receipts by giving written notice of the exercise of the Agent's Option, or a part thereof, to Chelsea at any time up to 48 hours prior to Closing of the Offering. The Agent will also receive a cash commission equal to 6.0% of the gross proceeds and compensation options in an amount equal to 8.0% of the number of

Subscription Receipts sold under the Offering (the "**Compensation Options**"). The Compensation Warrants will be converted into Compensation Options on the closing of the RTO, with each Compensation Option exercisable at the Offering Price into one Common Share and one-half of a Warrant for 24 months after the closing of the Offering, subject to the same acceleration provision as the Warrants.

The Offering is subject to certain conditions including receipt of all regulatory approvals, including approval of the TSX Venture Exchange. The Offering is expected to close on or about June 30, 2015. The proceeds of the offering will be used for general corporate and working capital purposes.

Valencia and Chelsea will provide further information about the RTO in due course.

Valencia also announces that Fred Leigh has replaced Josh Van Deurzen as interim President and Chief Executive Officer.

About Valencia

Valencia is a Canadian resource company with common shares that trade on the NEX Board of the TSX Venture Exchange under the symbol VVI.

For additional information, please contact:

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About Chelsea CNG

Chelsea Natural Gas Limited is a Vancouver based corporation that will build and operate compressed natural gas (CNG) filling stations and conversion shops in business communities throughout Canada. Our goal is to help reduce the cost of fuel in fleet vehicles and to assist local communities and businesses in reducing their carbon footprint, while providing a cleaner and healthier environment for tomorrow. For more information about Chelsea CNG, please visit www.Chelseacng.com or contact:

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Forward - Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the completion of the Offering, the proposed use of proceeds, the timing and implementation of the Transaction, and the development and prospects of Chelsea CNG's business. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of exploration activities; regulatory risks; risks inherent in foreign operations; and other risks of the oil and gas industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE