

# Building a portfolio of high-margin producing oil & gas assets



**Cub Energy Inc. (TSX-V: KUB)** is a Ukraine upstream oil and gas company with a focused strategy of low-risk in-field development that rapidly accelerates production in a high natural gas price environment.

## Strong in-country Leadership

- Extensive oil & gas operational track record in Black Sea region
- Excellent relationships with stakeholders at all levels
- Strong local partnerships minimize above-ground country and political risk

## Regional Acquisition Focus

- Acreage position of over 311,000 gross acres under license (142,000 net acres)
- Diversified margin risk with acquisition strategy

## Technological Advantage

- First company to frac and dually-complete wells in Ukraine
- Modern Western drilling and logging techniques
- Utilizing 3D seismic and fracture stimulation

## Margin-oriented

- Wells with competitive margins and IRRs
- Gas price averaged \$5.71/Mcf in Q2 2017 and netbacks of \$3.59/Mcfe<sup>(1)</sup>
- Gas price averaged \$6.88/Mcf in Q1 2017 and netbacks of \$4.88/Mcfe<sup>(1)</sup>
- Disciplined capital allocation strategy

## Operational Locations

- An estimated 39 Tcf of proven gas reserves remain in Ukraine<sup>(3)</sup>

### 1. Transcarpathian Sedimentary Basin, West Ukraine

- 3 licenses, 100% and 50% owned by Cub

### 2. Dnieper-Donets Sedimentary Basin, East Ukraine

- 6 licenses 35% owned by Cub

**Ukraine acreage: 311,000 gross (142,000 net)**



2P Reserves<sup>(4)</sup>:  
**2.0 MMboe**



- (1) Company average for the quarter ended June 30, 2017
- (2) Company average for the quarter ended March 31, 2017
- (3) U.S. EIA, Ukraine Country Profile
- (4) NI 51-101 "Statement of Reserves Data and Other Oil and Gas Information." Effective date December 31, 2016. Prepared by Ryder Scott.

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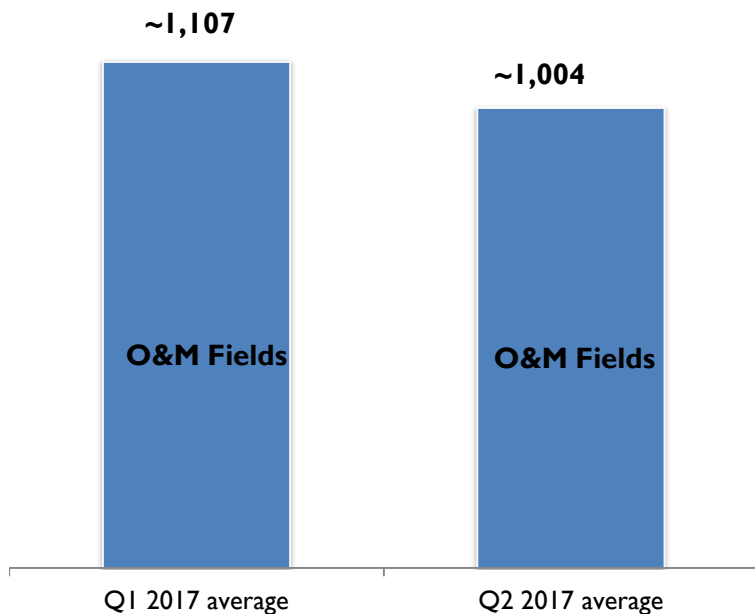
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# Growing Production and Reserves Growth

## Net Average Daily boe/d <sup>(1)</sup>



## Management Team

**Mikhail Afendikov**  
Executive Chairman & CEO

Founder & CEO of Gastek LLC. and former CEO of KUB-Gas with over 20 years of experience in oil and gas, mining, shipping and financial markets

**Kerry Kendrick**  
COO

30 years of experience as a petroleum engineer and former COO of Urals Energy (Russia) and former Director General of Occidental's Russian operations.

**Patrick McGrath**  
CFO

Over 15 years experience, including 10 years in senior management positions, in international oil and gas and mining exploration and development

**Rebecca Gottsegen**  
CCO & General Counsel

20 years of legal experience representing private and public companies in a variety of areas, including labor and employment legal compliance, risk management and corporate governance

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