



News Release

CUB ENERGY INC. ANNOUNCES NEW 20-YEAR PRODUCTION LICENCE WITH EXPANDED ACREAGE

Houston, Texas – March 14, 2016 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (TSX-V: **KUB**) announces that its wholly-owned subsidiary, Tysagaz LLC, has been granted a production licence with additional acreage in western Ukraine. The new Uzhgorod licence covers approximately 75,000 acres, which is a 50% increase from its original size of 50,000 acres.

The expanded Uzhgorod block was awarded to the Company on March 11, 2016, by way of a Special Permit by the State Service of Geology and Mineral Resources of Ukraine, authorising full industrial production from the Uzhgorod licence for a 20-year term, during which the Company will be allowed to conduct both exploration and production activities. The new production licence replaces the previously issued 5-year Special Permit for exploration, which was scheduled to expire in January 2016.

The new expanded Uzhgorod licence is on trend with the discoveries in the Republic of Slovakia, which adjoins the licence on the west and the Tysagaz operated (100%-owned by Cub) Rusko-Komarivske (RK) field in close proximity on the east. Approximately 35 line kilometre of 2D seismic data was acquired in 2013 on the original Uzhgorod exploration licence. The data has been processed and reviewed, with several potential target locations identified. Additional seismic, including a 3D survey, is planned prior to drilling any of the identified locations. The targeted reservoirs include the Middle Miocene Sarmatian and Badenian reservoirs found to be present and gas-bearing in the RK field. To fund the development on this new expanded production licence, the Company is exploring its alternatives, including potential joint venture partners.

Mikhail Afendikov, Chief Executive Officer of Cub said, “*The Uzhgorod production licence and expanded acreage will give us the opportunity to continue to explore and produce hydrocarbons in western Ukraine. Cub’s total acreage in Ukraine (east and west combined) is approximately 302,000 gross acres (170,000 net acres).*”

About Cub Energy Inc.

Cub Energy Inc. (TSX-V: KUB) is an upstream oil and gas company, with a proven track record of exploration and production cost efficiency in the Black Sea region. The Company’s strategy is to implement western technology and capital, combined with local expertise and ownership, to increase value in its undeveloped land base, creating and further building a portfolio of producing oil and gas assets within a high pricing environment.

For further information please contact us or visit our website: www.cubenergyinc.com

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Reader Advisory

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Cub believes that the expectations reflected in the forward-looking information are reasonable; however, there can be no assurance those expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Ukraine, the Black Sea Region and globally; political unrest and security concerns in Ukraine; industry conditions, including fluctuations in the prices of natural gas; governmental regulation of the natural gas industry, including environmental regulation; unanticipated operating events or performance which can reduce production or cause production to be shut in or delayed; failure to obtain industry partner and other third party consents and approvals, if and when required; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for natural gas; liabilities inherent in natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, drilling, processing and transportation problems; changes in tax laws and incentive programs relating to the natural gas industry; failure to realise the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

This cautionary statement expressly qualifies the forward-looking information contained in this news release. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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