



News Release

Cub Energy Inc. Announces Results of NY-3 well and Recompletion of O-9 well in Eastern Ukraine

Houston, Texas – July 11, 2018 – Cub Energy Inc. (“Cub” or the “Company”) (TSX-V: KUB), a Ukraine-focused upstream oil and gas company, announces that KUB-Gas LLC (“Kub-Gas”), Cub’s 35%-owned subsidiary which owns and operates the eastern Ukraine licenses, announces results of two recent operations.

O-9 Well in the Olgovskoye License

Kub-Gas recently recompleted the Olgovskoye-9 (“O-9”) well to a “behind pipe pay” zone designated as the Bashkirian-3 (“B3”). During a standard multi-rate test, the zone was tested up to 2.5 million cubic feet per day (“MMcf/d”) and was put into production at a stable rate of 1.9 MMcf/d since June. There are ten other wells with “behind pipe pays” that are attractive recompletion opportunities in the Olgovskoye License. As the currently producing intervals deplete, the production team can recomplete these additional zones in the existing wells. Opportunities such as these generate above average returns for shareholders, particularly given the current gas price is over US\$7 per thousand cubic feet (“Mcf”) in Ukraine.

NY-3 Well

The North Yatskivska #3 (“NY-3”) well on the West Olgovskoye (“WO”) licence was drilled to a total depth of 2,300 metres and evaluated several prospective horizons. Test results indicated the well encountered non-commercial gas shows. The well was drilled based on 2D seismic and the Company believes the commencement of a 3D seismic program later this year should improve the probability of success of future exploration wells.

Mikhail Afendikov, Chairman and CEO of Cub said: *“The results of the O-9 recompletion exceeded our expectations. We were able to increase the total field production by 14% from a single recompletion that cost only a fraction of the cost of drilling a new well. This result coupled with the attractive gas prices in Ukraine will shift our focus to recompletions that may quickly convert low rate wells producing nearly depleted zones to potentially high rate wells producing from zones with virgin pressure.”*

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 Ukraine. 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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Cautionary Statements:

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Test results are not necessarily indicative of long-term performance or of ultimate recovery. The test data contained herein is considered preliminary until full pressure transient analysis is complete.

The disclosure in this press release is prepared in accordance with NI 51-101 standards.

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 and foreign currency; 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 fourth 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 realize 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.

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.