



News Release

Cub Energy Announces Death of CEO and Founder Mikhail Afendikov

Houston, Texas – February 3, 2021 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (TSX-V: **KUB**), a Ukraine-focused upstream oil and gas company, announces the sudden passing of its Executive Chairman, President, Chief Executive Officer and founder, Mikhail Afendikov, on February 1, 2021. On behalf of the entire Cub team, we extend our deepest sympathies and condolences to Mikhail’s family and friends.

Mikhail and his partners were instrumental in building and growing Kub-Gas LLC to one of the largest private natural gas producers in Ukraine at its peak production. Mikhail was a leader, mentor and friend to the Cub team and will be missed dearly.

The Board of the Company has appointed Patrick McGrath as Interim Chief Executive Officer to oversee daily operations and Eugene Chaban as Interim Chief Financial Officer. Mr. McGrath was previously the Chief Financial Officer of the Company. John Booth, a current director of the Company, has been appointed Chairman of the Board. The appointments are subject to regulatory approval.

Mr. Chaban has been working with the Company in a management position since 2014 and most recently has been in charge of the Ukraine gas trading business. Mr. Chaban was previously the Controller and Deputy Chief Financial Officer of Ukraine-based oil and gas companies and was a Senior Auditor with KPMG.

Before the untimely passing of Mr. Afendikov, the Company reached an agreement on January 22, 2021 with Pelicourt Limited (“Pelicourt”), for which Mr. Afendikov was the majority shareholder, on the extension of the shareholder loan that was otherwise due on January 31, 2021. Under the new terms, the interest remains unchanged at 10.8% and the loan was extended by three years to March 31, 2024. The repayment of the facility will be \$150,000 per quarter with the first payment made on January 27, 2021. The current balance of the loan is \$1,650,000. The loan can be called at any time with 60 days written notice.

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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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 including the recent introduction of Martial Law in the Company's operating regions,; 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.

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