



News Release

Cub Energy Announces Letter Agreement for Sale of 35% Interest in KUBGAS

Houston, Texas – September 7, 2021 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (TSX-V: **KUB**), a Ukraine-focused energy company, announced today it has entered into a letter agreement dated September 3, 2021 with its partner to sell its 35% interest in KUBGAS Holdings Limited. (“**KUBGAS**”). The sale is for a deemed consideration of approximately US \$10.6 million. The consideration comprises a cash payment of US \$2.6 million and the settlement of approximately US \$8.0 million in debt that the Company owes KUBGAS, subject to adjustments on the completion date. The sale terms were negotiated at arm’s length with the partner and closing of the transaction is subject to the parties entering into a definitive agreement and the Company obtaining TSX Venture Exchange approval.

Patrick McGrath, CEO of Cub said: “*Cub Energy’s founder and former CEO, Mikhail Afendikov, built KUBGAS into one of the largest natural gas producers in Ukraine during the 2000s. The Company is proud of its success, but it has decided to divest its remaining interest in this asset. The sale will add cash and substantially deleverage Cub’s balance sheet by reducing 80% of the Company’s debt as of the last quarterly financial results. The divestiture allows Cub to focus on its 100% owned western Ukraine gas assets and its associated power generation business. The company continues to review new opportunities.*”

About Cub Energy Inc.

Cub Energy Inc. (TSX-V: KUB) is a power and 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 assets within a high commodity price environment.

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

Patrick McGrath
Chief Executive Officer
(832) 499-6009
patrick.mcgrath@cubenergyinc.com

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: entering into a

definitive agreement, 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, power and foreign currency; governmental regulation of the natural gas and power industries, including environmental regulation; unanticipated operating events or performance which can reduce production or cause production to be shut in or delayed; failure to obtain 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 and power; liabilities inherent in natural gas and power 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 and power industries; 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.