

## Extractive Sector Transparency Measures Act Report

Reporting Year From: 2016-01-01 To: 2016-12-31  
Reporting Entity Name Cub Energy Inc.  
Reporting Entity ESTMA Identification Number E412968

Subsidiary Reporting Entities (if necessary) Tysgaz LLC (100% interest) and KUB-Gas LLC (35% interest)

**Attestation: Please check one of the the boxes below and provide the required information**

Attestation (by Reporting Entity)

*In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.*

Attestation (through independent audit)

*In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.*

*The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above. The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]*

Director or Officer of Reporting Entity Full Name:  
Position Title:

Mikhail Afendikov  
Chief Executive Officer



Date: 5/19/2017

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year  
Reporting Entity Name

From: 2016-01-01 To: 2016-12-31  
Cub Energy Inc.

Reporting Entity ESTMA Identification  
Number

E412968

Subsidiary Reporting Entities (if  
necessary)

Tysagaz LLC (100% interest) and KUB-Gas LLC (35% interest)

### Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Ukraine	Ukraine State Treasury	\$ 819,000							\$ 819,000	Corporate income tax
Ukraine	Ukraine State Treasury		\$4,670,000						\$ 4,670,000	Oil and gas royalties
Total		\$ 819,000	\$ 4,670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,489,000	

NOTES:

ALL PAYMENTS ARE REPORTED IN UNITED STATES DOLLARS (THE REPORTING CURRENCY OF THE REPORTING ENTITY) AND CONVERTED AT THE UNITED STATES DOLLAR TO UKRAINE HRYVNIYA EXCHANGE RATE. THE AVERAGE UNITED STATES DOLLAR TO UKRAINE HRYVNIYA EXCHANGE RATE DURING THE YEAR ENDED DECEMBER 31, 2016 WAS 26:1.

ALL PAYMENTS WITHIN THE \$100,000 CAD PER PAYEE REPORTING THRESHOLD HAVE BEEN INCLUDED AND CONVERTED USING THE DECEMBER 31, 2016 UNITED STATES DOLLAR TO CANADIAN DOLLAR RATE OF 1.34:1.

ALL NUMBERS HAVE BEEN ROUNDED TO THE NEAREST \$1,000 USD.

ALL PAYMENT TOTALS REFLECT THE COMPANY'S RESPECTIVE OWNERSHIP INTEREST.

## Extractive Sector Transparency Measures Act - Annual Report

Reporting Year  
 Reporting Entity Name  
 Reporting Entity ESTMA Identification Number

From: 2016-01-01 To: 2016-12-31  
 Cub Energy Inc.  
 E412968

Subsidiary Reporting Entities (if necessary)

*Tysgaz LLC (100% interest) and KUB-Gas LLC (35% interest)*

### Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Ukraine	Rusko-Komarivske		\$391,000						\$ 391,000	Oil and gas royalties
Ukraine	Oglovskoye and Makeevskoye		\$4,279,000						\$ 4,279,000	Oil and gas royalties
Ukraine	Corporate	\$ 819,000							\$ 819,000	Corporate income tax
Total		\$ 819,000	\$ 4,670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,489,000	

**NOTES:**

ALL PAYMENTS ARE REPORTED IN UNITED STATES DOLLARS (THE REPORTING CURRENCY OF THE REPORTING ENTITY) AND CONVERTED AT THE UNITED STATES DOLLAR TO UKRAINE HRYVNYA EXCHANGE RATE. THE AVERAGE UNITED STATES DOLLAR TO UKRAINE HRYVNYA EXCHANGE RATE DURING THE YEAR ENDED DECEMBER 31, 2016 WAS 26:1.

ALL NUMBERS HAVE BEEN ROUNDED TO THE NEAREST \$1,000 USD.