



## News Release

### **Cub Energy Inc. Announces Capital Commitment to Restart the RK Field for Power Generation**

Houston, Texas – April 15, 2020 – Cub Energy Inc. (“Cub” or the “Company”) (TSX-V: KUB), a Ukraine-focused energy company, announces that its 100% owned subsidiary, Tysagaz LLC (“Tysagaz”), has signed a contract for the purchase of two Jenbacher gas power generation engines that should convert the natural gas produced from the RK field into power that can be sold in western Ukraine at local market rates. Each power generation unit will have the capacity to produce as much as 1.5 megawatts (“MW”) of power each or 3 MW in total. The RK field was materially suspended on April 1, 2016 and this new plan should result in the restart of the RK field.

The Jenbacher units will be manufactured in Europe and expected delivery is in the fourth quarter of 2020 with power revenue expected in the first quarter of 2021. The successful sale of power into the local grid will be subject to the successful installation of the Jenbacher units, regulatory commissioning and tie-in to the local power supply. The direct capital costs of the two units are approximately US\$1.4 million and the total investment is expected to be approximately US\$1.9 million. The total investment amount includes approximately \$0.3 million in Value Added Tax (VAT) which should be refunded on commercial production. There are approximately 60 of these power generators units currently in operation in Ukraine.

Mikhail Afendikov, Chairman and CEO of Cub said: *“We reviewed various alternatives to maximize the value of the RK field and we believe the Jenbacher power generation is the best path for shareholders. It has the potential to generate material cashflow while at the same time capitalizing on the restart of the RK field.”*

Currently, all of the Company's facilities remain fully operational. The company is monitoring recommendations by the public health authorities related to COVID-19 in all its operating regions and is adjusting operational requirements as required. The Company has implemented certain cost-cutting initiatives during the second quarter of 2020, including the layoff of eleven team members, salary adjustments of up to 25% and a general reduction in the use of external consultants.

#### **About Cub Energy Inc.**

Cub Energy Inc. (TSX-V: KUB) is an upstream oil and gas and power generation 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 energy assets.

For further information please contact us or visit our website: [www.cubenergyinc.com](http://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 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 power and natural gas 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 industry partner and other fourth party consents and approvals, if and when required; successful installation of the Jenbacher units, competition for and/or inability to retain 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.*