



News Release

Cub Energy to Seek Shareholder Approval for Reorganization of Capital to Pay Special Distribution

Calgary, Alberta – November 8, 2022 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (NEX: **KUB.H**), announces that its board of directors (the “**Board**”) has determined to seek the approval of the holders (the “**Shareholders**”) of its common shares (“**Shares**”) to complete a reorganization of its share capital to permit the Company to pay a special distribution to shareholders of up to C\$0.03 per Share (up to approximately C\$9.4 million or US\$6.9 million in aggregate), subject to final cost estimates and foreign exchange rates, in the course of an amendment of the Company’s articles and an exchange of outstanding Shares for new shares and cash (collectively, the “**Reorganization of Capital**”).

At September 30, 2022, the Company had working capital of approximately US\$7.2 million, the majority of which was derived from the sale of the Company’s 35% interest in KUBGAS Holdings Limited in February 2022.

Although the Company has been reviewing opportunities to redeploy its excess working capital, the Board has determined to seek Shareholder approval for the Reorganization of Capital to give the Company the flexibility to pay a special distribution to Shareholders if the Board ultimately determines that doing so is in the best interests of the Company and Shareholders.

If Shareholder and regulatory approvals are obtained, the Board will have the discretion to determine the timing and amount of any such Reorganization of Capital, having regard to the Company’s working capital requirements.

An annual and special meeting of Shareholders (the “**Meeting**”) will be held on December 19, 2022 to consider the Reorganization of Capital. Shareholders of record on November 8, 2022 will be entitled to receive notice of and attend the Meeting and vote thereat. To permit the Reorganization of Capital, Shareholders will be asked to approve a reorganization of the Company’s share capital at the Meeting. A management information circular relating to the Meeting and details of the Reorganization of Capital will be mailed to Shareholders by the third week in November of 2022. If the Company proceeds with the Reorganization of Capital, the Company will announce the record date, ex-distribution date and payment date of the special payment arising due to the Reorganization of Capital at a later time.

Also at the Meeting, Shareholders will be asked to approve a name change and stock consolidation as part of the Company’s continuing restructuring efforts post-Reorganization of Capital.

For more information:

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This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are 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. Forward-looking statements are 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 projected in the

forward-looking statements. The Company cannot assure that actual results will be consistent with these forward-looking statements. They are made as of the date hereof and are subject to change and the Company assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the resource industry.

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