



News Release

Cub Energy Announces First Quarter 2022 Results

Houston, Texas and Calgary, Alberta – May 30, 2022 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (**TSX-V: KUB**), a Ukraine-focused energy company, announced today its unaudited financial and operating results for the three months ended March 31, 2022. All dollar amounts are expressed in United States Dollars unless otherwise noted.

Patrick McGrath, CEO of Cub said: “*Cub finished the quarter ended March 31, 2022 with \$8,916,000 cash on hand and working capital of \$7,593,000. This was a result of the corporate strategy to divest several of its Ukraine oil and gas assets, including the divestiture of its eastern Ukraine assets which transaction closed on February 2, 2022. Cub is looking at alternatives for its current cash including, but not limited to, a cash dividend or investing in new opportunities.*”

Operational Highlights

- On February 2, 2022, the Company closed the sale of its 35% interest in KUB Holdings Limited (“KUB Holdings”) and received a cash payment of \$2,600,000. In conjunction with closing, the Company received the final cash dividend of \$2,046,000 and repaid the final loan balance to a subsidiary of KUB Holdings in the amount of \$2,481,000 as part of the final debt settlement between the parties.
- Achieved average natural gas price of \$20.61/Mcf during the three months ended March 31, 2022 as compared to \$5.90/Mcf and \$67.86/bbl for the comparative 2021 quarter. Regional pricing materially improved in Ukraine period over period.
- Production averaged 35 boe/d for the three months ended March 31, 2022 as compared to 555 boe/d for the comparative 2021 period. Production decreased due to the sale of the Company’s 35% equity investment in KUB Holdings.

Financial Highlights

- The Company reported a net loss of \$533,000 or \$0.00 per share during the three months ended March 31, 2022 as compared to net income of \$263,000 or \$0.00 per share during the comparative 2021 quarter. The Company’s revenues and income were materially impacted in 2022 by the sale of KUB Holdings which was the primary contributor to the financial performance of the Company historically
- Netbacks of \$71.85/boe or \$11.98/Mcfe were achieved for the three months ended March 31, 2022 as compared to netback of \$17.31/Boe or \$2.89/Mcfe for the comparative 2021 period.

(in thousands of US Dollars)	Three Months Ended March 31, 2022	Three Months Ended March 31 2021
Petroleum and natural gas revenue	386	94
Revenue from gas trading	-	1,653
Net (loss) income	(533)	263
(Loss) income per share – basic and diluted	(0.00)	0.00
Funds generated from operations	1,440	16

Pro-rata netback (\$/boe) ⁽¹⁾	71.85	17.31
Pro-rata netback (\$Mcf) ⁽¹⁾	11.98	2.89

	March 31, 2022	December 31, 2021
Working capital	7,593	8,128
Cash and cash equivalents	8,916	7,368

Notes:

- (1) For purposes of the pro-rata netback calculation for 2021, the Company's profit from gas trading is added to the revenue of Kub-Gas to better reflect the true natural gas price achieved and field netback.

Supporting Documents

Cub's complete interim reporting package, including the unaudited condensed consolidated financial statements and associated Management's Discussion and Analysis, have been filed on SEDAR (www.sedar.com) and has been posted on the Company's website at www.cubenergyinc.com.

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. 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

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Oil and Gas Equivalents

A barrel of oil equivalent ("boe") or units of natural gas equivalents ("Mcf") is calculated using the conversion factor of 6 Mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. A boe conversion ratio of 6 Mcf: 1 bbl (barrel) or a Mcfe conversion of 1bbl: 6 Mcf is, based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value. The disclosure in this press release is prepared in accordance with NI 51-101 standards.

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; industry conditions, including fluctuations in the prices of natural gas, power 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.

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.