Cuda Oil and Gas Inc. Provides Production and Operational Update on Wyoming - Powder River Basin Light Oil Development

Calgary, Alberta--(Newsfile Corp. - December 19, 2018) - Cuda Oil and Gas Inc. (TSXV: CUDA) ("**Cuda**" or the "**Company**") is pleased to announce that drilling and completion operations on the Barron Flats (Deep) Unit (BFU) in Converse County, Wyoming are ongoing and have recorded 100% success to date. Production net to Cuda, is up over 60% from where it was when the asset was purchased in June 2018. Additionally, improved pricing environment for winter natural gas in Alberta has allowed the company to start-up its high-rate natural gas and liquids well. Current corporate production is 1,100 boe/d (45% liquids).

The Company has participated in 11 Gross (3.05 net) vertical Shannon Sand Light Sweet (40^{o} API) oil wells. Ten (10) wells have been successfully drilled and completed and are on production, one (1) well has been drilled to total depth, production casing has been run.

The average peak production rate (over a 24-hour period) for the recently completed wells is 180 boe/d (96% oil) and early time production performance puts the wells on trend to achieve at or near the Ryder Scott type curve of approximately 150 mbbl of oil per well on a primary recovery basis. The current BFU Shannon field production is estimated to be 1,600 boe/d (94% oil), 450 boe/d net to Cuda's 27.75% WI from 25 producing wells. This new well production generates oil netbacks of approximately C$40/bbl at US$52.00 WTI pricing due to low Basin differentials(approximately -$2.20) and abundant oil pipeline takeaway capacity. More details are available in the Company's updated corporate presentation at: https://cudaoilandgas.com/wp-content/uploads/2018/11/1_Cuda_Corp_Nov_2018_Website.pdf.

In addition to the successful drilling in the Barron Flats (Deep) Unit the following activities are ongoing:

- Electrification for the 1st phase of ten (10) wells is complete with the 2nd phase of fifteen (15) wells ongoing. Full electrification is anticipated by early 2019 and is expected to reduce operating costs by approximately US$ 3,000 per well per month.

- The BFU gas handling facility is nearing the final stages of completion with anticipated start-up in early 2019. The gas gathering system is also proceeding to coincide with the gas facility start up. The facility will process 1500 BTU Shannon natural gas with a natural gas liquids yield estimated at 125 bbls per mmcf, with the remaining gas ready for field use.

- The recent Cole Creek Acquisition (11,000 gross acres) adjacent to the BFU is currently producing 40 bbls/d gross (13 bbls/d net to Cuda). First quarter planned operations include working over six (6) existing wells and recompleting two (2) wells identified with behind pipe pay in the Frontier 2 and Muddy formations. In addition, permitting will commence on four (4) two mile-long horizontal wells targeting the Frontier 2 formations. Legacy Vertical Frontier production has delineated a large oil resource with 15 feet of average net pay and 15% porosity across jointly owned lands (Cuda WI 33.33%).

The Powder River Basin E&P activity has increased rapidly with many diversified public companies investing significant capital in this emerging play. With up to 5,000 feet of stacked light oil potential in multiple zones and economics that rival Permian-Delaware horizontal wells, the basin has become a significant growth area. Reported industry IRR on capital are driven by high oil cuts (80-90%) and low produced formation water making it an overall non-gassy dry basin which lowers operating costs and improves netbacks.

The Basin has secure and ample oil and gas pipeline takeaway capacity, providing access to premium markets with a historical price close to WTI.

Land prices continue to escalate and have been validated by recent M&A activity and BLM land sales.

The brokered private placement announced November 9, 2018 is now closed to further subscriptions.

Forward-Looking Information

This news release contains forward-looking information. All statements other than statements of historical fact included in this release are forward-looking statements that involve various risks and uncertainties and are based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management. In particular, this news release includes forward-looking information relating to (i) production estimates, production growth rates and oil recovery rates which assume accuracy of technical and geological information and analysis and may be impacted by unscheduled maintenance, labour and contractor availability; (ii) operating netbacks, which assume production and expenditure estimates and may be impacted by energy prices, production estimates, and the timing of payments; (iii) electrification plans for wells in the Barrons Flats (Deep) Unit and the anticipated impact on operating costs; (iv) the anticipated start-up of the BFU gas processing facility and the natural gas liquids yield from the plant; and (v) the Company's exploration and development plans. Risk factors that could prevent forward-looking statements relating to Cuda and its operating activities from being realized include market conditions, ongoing permitting requirements, the actual results of current exploration and development activities, operational risks, risks associated with drilling and completions, uncertainty of geological and technical data, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future oil and gas prices.

Although Cuda has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Oil and Gas Information

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis.

Any references to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

About Cuda Oil and Gas Inc.

Cuda Oil and Gas Inc. is engaged in the business of exploring for, developing and producing oil and natural gas, and acquiring oil and natural gas properties across North America. The Cuda management team has worked closely together for over 20 years in both private and public company environments and has an established track record of delivering strong shareholder returns. Cuda will continue to implement its proven strategy of exploring, acquiring, and exploiting with a long-term focus on large, light oil resource- based assets across North America including significant operational experience in the United States. The Cuda management team brings a full spectrum of geotechnical, engineering, negotiating and financial experience to its investment decisions.

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