



News Release

CUB ENERGY ANNOUNCES NEW LICENCE GRANTED IN EASTERN UKRAINE COVERING 110,000 ACRES

Houston, Texas – June 8, 2015 – Cub Energy Inc. (“**Cub**” or the “**Company**”) (TSX-V: **KUB**) announces that KUB-Gas LLC (“**KUB-Gas**”), has been granted a new exploration and production licence in eastern Ukraine, covering 449 km² (approximately 111,000 acres). Cub has a 30% ownership interest in KUB-Gas.

The West Olgovskoye block was awarded to KUB-Gas Borova LLC (a newly incorporated subsidiary of KUB-Gas) by way of a Special Permit by the State Service of Geology and Mineral Resources of Ukraine.

West Olgovskoye is located in the Kharkiv oblast, outside of the military conflict zone. The new licence immediately offsets the Olgovskoye and North Makeevskoye licences currently owned and operated by KUB-Gas. It surrounds (but does not include) the existing Druzhelyubovskoe gas/condensate field, which is owned and operated by Ukrghasdobycha, a subsidiary of Naftogaz, the state owned oil company. Since starting production in 1979, Druzhelyubovskoe is believed to have produced over 180 billion cubic feet (“**Bcf**”) of gas from the same Moscovian and Bashkirian zones that produce in KUB-Gas’ Olgovskoye and Makeevskoye fields. The new permit area has several hundred kilometres of 2D seismic data, which suggest additional undrilled structural features are present, although new 3D seismic data will have to be acquired before any are upgraded to drillable prospect status.

The term of this new Special Permit is for 20 years with the right to a 20-year extension, during which KUB-Gas will be allowed to conduct both exploration and production activities. There are work commitments of 202.3 million hryvnia or approximately \$9.6 million at the current exchange rate of 21 UAH/USD. These requirements include geological studies, seismic acquisition and processing, and drilling and completion operations. All of the work programs are expected to be funded by KUB-Gas’s internal cash flow. Although there are several shorter intermediate deadlines, almost 90% of the total required spending is scheduled for between 2018 and 2020. Geological studies and interpretation will commence immediately, and KUB-Gas anticipates mobilizing a seismic crew for new data acquisition in the fourth quarter of 2015.

Mikhail Afendikov, Chief Executive Officer of Cub said, *“West Olgovskoye more than doubles the KUB-Gas land base in Ukraine, and increases Cub’s total Ukraine acreage to approximately 355,000 gross acres. Based on the large volumes of production from the Druzhelyubovskoe field, we are hopeful that our successful hydrocarbon discoveries in our Olgovskoye and Makeevskoye fields continue into West Olgovskoye.”*

About Cub Energy Inc.

Cub Energy Inc. (TSX-V: KUB) is an upstream oil and gas company, with a proven track record of exploration and production cost efficiency in the Black Sea region. 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 producing oil and gas assets within a high pricing 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.

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, the Black Sea Region 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 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 third 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.

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