

Cuda Oil and Gas Inc. Announces Start-up of Operations at the Company's Natural Gas Miscible Flood Facility and Submission of Gas Flood Application to WOGCC in the Powder River Basin, Wyoming

Calgary, Alberta--(Newsfile Corp. - May 23, 2019) - Cuda Oil and Gas Inc. (TSXV: CUDA) ("**Cuda**" or the "**Company**") is pleased to announce the natural gas plant and associated facilities on the Barron Flats (Deep) Federal Unit (BFU) in Converse County, Wyoming have been commissioned to process rich Shannon field solution gas. The plant is a key step to allowing the Company to access gas flood reserves assigned by Ryder Scott in the recent independent Reserves Report. Processed natural gas liquids (estimated at 125 bbls per mcf) will be stored onsite and utilized initially for a cyclic gas-injection stimulation test at the William Valentine #1 with an estimated onstream date of July 1, 2019.

The operator, Southwestern Production Corporation, has recently filed the required submissions with the Wyoming Oil and Gas Conservation Commission (WOGCC) in support of the Barron Flats Secondary Recovery Miscible Gas Flood Unit. The application is scheduled on the WOGCC docket for August 12, 2019 to obtain Commission approval of the project.

Other developments include the successful acquisition of a pipeline right of way from the BFU Gas Facility to the interstate pipeline system at Parkerton, Wyoming. Arrangements with a major midstream company have been negotiated to establish a pipeline connection site at Parkerton to provide a reliable and cost-effective supply of natural gas as feedstock for the Shannon Sand Miscible Gas Flood Project. Construction of the eight (8) mile, high pressure, six inch natural gas pipeline along the acquired right of way is estimated to commence in July 2019 and be capable of delivering product to the miscible mixing facility pending approval of the secondary recovery unit by WOGCC in August 2019.

The facilities and pipeline advancements are integral milestones in the 2019 capital plan to develop the significant increases in reserves assigned to the Company at year-end 2018, by the Company's independent reserves evaluator, Ryder Scott. All reserves information is provided below.

Proven Developed ("PDP") and Proved Non-Producing ("PNP") Reserves

- The Company's PDP + PNP reserves grew 112% over 2017 reserves to 1,534 Mboe (62% oil and liquids).
- NPV10 of \$26.8 Million or \$1.22 per basic common share.

Total Proved Reserves ("1P")

- The Company's 1P reserves grew 515% over 2017 reserves, to 4,949 Mboe (84% oil and liquids).
- NPV10 of \$77.8 Million or \$3.55 per basic common share.
- Future development costs of \$40.6 Million.
- Reserve Life Index ("**RLI**") based on 4th quarter, 2018 production of 15.5 years.

Proved plus Probable Reserves ("2P")

- The Company's 2P reserves grew 1,239% over 2017 reserves, to 14,571 Mboe (84% oil and liquids).
- NPV10 of \$191.6 Million or \$8.74 per basic common share.
- Future development costs of \$94.7 Million.
- RLI of 45.6 years.

Additionally, the recently acquired Cole Creek Unit with 11,000 gross acres (3,630 acres net) provides a 48 well (16.7 net) project that can be developed with unconventional horizontal drilling technology. The operator is currently in the process of permitting 2 horizontal wells targeting the Frontier 2 formation.

The Powder River Basin, specifically Converse County continues to see higher activity levels from major oil and gas E&P companies and private equity backed firms. The stack of horizontal oil targets continues to deliver positive results. The Company has recognized that several additional horizontal opportunities exist below the conventional Shannon Sand on the land base specifically within the Frontier, Niobrara and Muddy formations. These opportunities provide the basis for further resource development on Company lands.

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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Forward-Looking Information

This news release contains forward-looking information. All statements other than statements of historical fact included in this news release are forward-looking information 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) exploration and development activities and the timing of such activities; (ii) the estimated natural gas liquids yield from the Barron Flats (Deep) Federal Unit; (iii) the timing of regulatory and operational developments relating to the Company's natural gas miscible flood facility; and (iv) reserve estimates which by their nature involve the implied assessment that the reserves can be profitably produced. Risk factors that could prevent forward looking statements relating to Cuda and its operating activities from being realized include 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, access to capital, market conditions, the availability and nature of alternative sources of energy, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of oil and natural gas. 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.

"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.

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