



Cuda Oil and Gas Inc.  
2110, 440 – 2<sup>nd</sup> Ave SW  
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## **Cuda Oil and Gas Inc. Announces the Closing of the Sale of its Quebec Assets for a Total Transaction Value of \$10.59 Million**

**Calgary, Alberta: September 4, 2019** – Cuda Oil and Gas Inc. (“**Cuda**” or the “**Company**”) (TSXV: CUDA) is pleased to announce that it has closed Asset Purchase Agreements (the “**APAs**”) to sell all of its oil and gas assets and related liabilities located in the Province of Quebec (“**Quebec**”) at a total transaction value of CAD \$10.59 million, including cash consideration at closing of CAD \$4.29 million, to arm’s-length purchasers (the “**Transaction**”).

### **Highlights:**

- Cuda has disposed of all of its petroleum and natural gas rights in Quebec (the “**Assets**”) which includes all land permits, licenses and production rights and interests in the Province as well as all tangible assets including drilling and related equipment associated with the Assets;
- The purchasers assumed all environmental liabilities, including abandonment and reclamation obligations, associated with the Assets in Quebec, estimated by the parties at CAD \$3.2 million;
- The purchasers paid CAD \$4.29 million to Cuda in cash consideration; and
- Cuda has been released and discharged from a pending CAD \$3.1 million claim associated with the exercise of dissent rights in connection with the plan of arrangement of the Company completed August 15, 2018.

KES 7 Capital Inc. (“**KES 7**”) acted as a financial advisor to the Company. Pursuant to TSXV requirements, KES 7 has confirmed that it is an arm’s-length party to Cuda and the purchasers.

Glenn Dawson, President and Chief Executive Officer of Cuda stated: “This is a significant transaction for Cuda shareholders in its magnitude and strategic creation of a pure play company in the Powder River Basin which has been described as the ‘Permian of the Rockies’.

“Moving forward, Cuda will focus on development of the Company’s high netback conventional light oil assets and Secondary Recovery Miscible Gas Flood in Converse County, Wyoming. Cuda’s contiguous Powder River Basin lands contain multiple defined opportunities to access and develop low risk proven conventional reservoirs. We are excited about the opportunity in Wyoming and we look forward to updating investors on our progress shortly.”

In addition, Cuda announces that it has retained Independent Trading Group (“**ITG**”) to provide market making services in accordance with TSX Venture Exchange policies.

ITG will trade the securities of the Company on the TSX-V for the purposes of maintaining an orderly market. In consideration of the services provided by ITG, the Company will pay ITG a monthly cash fee of \$5,000 for a minimum term of three months, and renewable thereafter. Cuda and ITG are unrelated and unaffiliated entities. ITG will not receive shares or options as compensation. The capital used for market making will be provided by ITG.



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## **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.

For further information please contact:

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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 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 the Transaction, the impact of the Transaction on Cuda and its results and development plans; the Company pro forma the Transaction; the estimated environmental liabilities, including abandonment and reclamation obligations; and the anticipated benefits of the Transaction; the existence and performance of resource and reserve opportunities on the Company's lands and related lands; and activity levels in the Company's core areas. Risk factors that could prevent forward-looking statements from being realized include market conditions, third party and regulatory approvals, 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.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***