Junex Inc. and Cuda Energy Inc. Complete Business Combination and Acquisition of Wyoming Powder River Basin Assets

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QUÉBEC CITY and CALGARY, Aug. 15, 2018 - Junex Inc. (“Junex”) (TSXV:JNX) and Cuda Energy Inc. (“Cuda”) are pleased to announce the successful completion of their previously announced business combination pursuant to a plan of arrangement under the Business Corporations Act (Québec) (the “Arrangement”) to form a combined entity named Cuda Oil and Gas Inc. (“New Cuda”). Concurrent with the Arrangement, New Cuda also completed the previously announced acquisition of a high growth light oil asset in the Powder River Basin in Wyoming (the “Wyoming Asset”) for a purchase price of US$37 million (the “Acquisition”).

The Arrangement was approved by 98.9% of those Junex shareholders that voted and 100% of Cuda shareholders that voted at their respective special meetings on August 2, 2018 and was subsequently approved by the Superior Court of Québec. Pursuant to the Arrangement, Junex consolidated its outstanding share capital on a 10 to 1 basis, issued an aggregate of 8.6 million post-consolidation common shares and one million post-consolidation common share purchase warrants exercisable at a price of $4.00 per share to Cuda shareholders and changed its name to Cuda Oil and Gas Inc. After giving effect to the Arrangement and the Acquisition, Cuda Oil and Gas Inc. has 18.9 million issued and outstanding common shares.

Pursuant to the Acquisition, New Cuda acquired the Wyoming Assets for a purchase price of US$37 million which was satisfied by payment in cash of US$31 million and the issuance to the vendor of approximately 2.1 million post-consolidation common shares. The cash portion of the purchase price was funded through a Cdn$35 million credit facility and available cash on hand. The Wyoming Asset consists of a 27.75% interest in the 25,000 (~7,000 net) acre Barron Flats (Deep) Unit in the Powder River Basin. The Wyoming Asset produces high netback light sweet oil entirely from the Shannon formation. For further information regarding the development program for the Wyoming Asset, please see Junex’s and Cuda’s press release of July 20, 2018.

The New Cuda management team is comprised of R. Glenn Dawson as President & Chief Executive Officer, Terry Schneider as COO, Ron Purvis as Chief Financial Officer, Tim Bushell as Vice President Exploration, Chad Gutor as Vice President Engineering and Mathieu Lavoie as Vice President Québec.

The New Cuda board of directors is comprised of Jean-Yves Lavoie, Guylaine Saucier, Edward (Ted) Hirst, Rich Frommer, Scott Dawson, Bruce Lawrence and R. Glenn Dawson. Each of André Gaumond, André Caillé, Daniel Courteau, Gérald Riverin and Henry Sauvagnat resigned from the board of directors upon completion of the Arrangement.

New Cuda thanks François Lévesque, CPA, CA, the former Chief Financial Officer of Junex, and each of the former directors for their dedication and service to Junex and wish them success in their future endeavours.

A letter of transmittal with respect to the Junex consolidation and name change will be mailed to registered shareholders of Junex. All registered shareholders with physical certificates will be required to send their respective certificates representing pre-consolidated common shares along with a completed letter of transmittal to New Cuda’s transfer agent, AST Trust Company (Canada) (“AST Trust”), in accordance with the instructions provided in the letter of transmittal. Additional copies of the letter of transmittal can be obtained through AST Trust (Corporate Actions 1-800-387-0825). All shareholders who submit a duly completed letter of transmittal along with their respective pre-consolidated Junex common share certificate(s) to AST Trust, will receive a post-consolidation New Cuda share certificate.

The common shares of Cuda Oil and Gas Inc. will trade on the TSX Venture Exchange on a post-consolidation basis under the symbol “CUDA” at a date to be confirmed by the issuance of a bulletin by the TSX Venture Exchange and to be announced by New Cuda at that 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.

For further information please contact:

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This news release contains forward-looking statements. 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, forward-looking information included in this release includes (i) the anticipated benefits and advantages of the transactions described herein; (ii) New Cuda's exploration and development plans, which assume accuracy of technical and geological information and analysis and may be impacted by unscheduled maintenance, labour and contractor availability; (iii) operating netbacks, which assume production and expenditure estimates and may be impacted by energy prices, production estimates, and the timing of payments, and (iv) reserves and resources which are forward-looking statements by their nature involving implied assessment that the reserves and resources can be profitably produced, and may be impacted by energy prices, future drilling results and operating costs. Risk factors that could prevent forward looking statements relating to New 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, 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 energy. Although New 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.

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.