

CENTAURUS



CENTAURUS ENERGY INC. (FORMERLY MADALENA ENERGY INC.) ANNOUNCES 2019 THIRD QUARTER FINANCIAL RESULTS AND OPERATIONAL UPDATE

(All dollar figures are expressed in United States Dollars)

Buenos Aires, Argentina, November 25, 2019 - Centaurus Energy Inc. ("Centaurus" or the "Company") (TSXV: CTA, OTCQX: CTARF) is pleased to announce its financial and operating results for the three months ended September 30, 2019.

Centaurus' CEO Jose Penafiel commented: "We are pleased to announce our first quarter of financial results under our new name as Centaurus Energy. Our financial results were impacted by significantly lower oil prices in Argentina during the quarter, but we were able to maintain positive operating netbacks. We remain pleased that the important drilling and completion program on our Coiron Amargo Sur Este ("CASE") block is progressing with positive initial results, as previously reported."

CONFERENCE CALL

As previously announced, the Company will hold an investor conference call to discuss the Company's operating and financial results on Tuesday November 26, 2019 at 8:00 a.m. MDT (10:00 a.m. EDT). Analysts and investors are invited to participate using the following dial-in numbers:

Local Dial-in Number: (+1) 587 880 2171

Toll Free Dial-in Number North America: (+1) 888 390 0546

Toll Free Dial-in Number United Kingdom: 0800 652 2435

Toll Free Dial-in Number Argentina: 0800 444 8221

SUMMARY FINANCIAL AND OPERATIONAL RESULTS

Selected information is outlined below and should be read in conjunction with Centaurus' unaudited condensed interim consolidated financial statements for three months ended September 30, 2019 and the associated management's discussion and analysis ("MD&A"), which are available for review

under the Company's profile at www.sedar.com and on the Company's website at www.ctaurus.com

	Three months ended	
	Sep 30	
	2019	2018
Financial – (\$000s, except per share amounts)		
Oil and gas revenue	7,849	8,269
Funds flow from (used in) continuing operations ⁽¹⁾	(1,052)	761
Per share - basic & diluted ⁽¹⁾	(0,00)	0,00
Net loss from continuing operations	(2,167)	(2,272)
Per share - basic & diluted ⁽¹⁾	(0,00)	(0,00)
Capital expenditures	8,574	2,240
Working capital (deficiency) ⁽¹⁾	(6,608)	(3,263)
EBITDA	(968)	1,156
Common shares outstanding - 000s	544,059	543,860
Operating		
<i>Average Daily Sales</i>		
Crude oil and Ngl's – Bbls/d	1,903	1,382
Natural gas – Mcf/d	1,433	1,244
Total - Boe /d	2,142	1,590
<i>Average Sales Prices</i>		
Crude oil and Ngl's - \$/Bbl	42.24	56.60
Natural gas - \$/Mcf	3.44	6.02
Total - \$/Boe	39.83	56.54
<i>Operating Netbacks⁽²⁾ - \$/Boe</i>	3.66	18.08

(1) This table contains the term "funds flow from continuing operations" and "working capital", which are non-GAAP measures and should not be considered an alternatives to, or more meaningful than "cash flows from operating activities" as determined in accordance with International Financial Reporting Standards ("IFRS") as an indicator of the Company's performance. Working capital, funds flow from operations and funds flow from operations per share (basic and diluted) do not have any standardized meanings prescribed by IFRS and may not be comparable with the calculation of similar measures for other entities. Management uses funds flow from continuing operations to analyze operating performance and considers funds flow from continuing operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investment. The reconciliation between funds flow from continuing operations and cash flows from operating activities can be found in the MD&A. Funds flow from continuing operations per share is calculated using the basic and diluted weighted average number of shares for the period, consistent

with the calculations of earnings (loss) per share. Working capital is computed as current assets less current liabilities. Management uses working capital to measure liquidity and to evaluate financial resources.

(2) Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating costs.

Operations Update

Production

October production was approximately 2,100 barrels of oil equivalent ("boe/d") (87% crude oil).

Short-term oil prices and capital controls

Short-term oil pricing in Argentina remains difficult to predict, but we are encouraged that our realized oil prices have improved slightly from the level around US\$40/bbl that we saw from early August through elections held in late October and that formal price controls have been removed.

As previously announced, Argentina's Government in September announced currency controls aimed at reducing market volatility and containing the impact of fluctuations of financial flows on the economy. The controls remain in place and have required increased communication with customers and suppliers and some increased administrative activities for our finance teams, but the measures do not restrict trade and are not expected in any material way to adversely affect Centaurus' ability to carry out operations in its normal course of business.

Operational Activities

Coiron Amargo Sur Este (CASE); 35% non-operated

The CASE-101(h), the first of a five well program, which achieved a 30 day average initial production ("IP30") rate of 1,020 barrels of oil per day, remains on production and is performing roughly in line with expectations.

The second well ("CASE-501h") has been completed and began flowing back on November 9, production test is in course.

The third well CASE-401h has been drilled and is waiting on completion. Drilling of the remaining wells of the five well program, the CASE-201h and CASE-301h remains ongoing with two drilling rigs.

Curamhuele (90% operated)

Centaurus is now planning to drill a vertical exploration well targeting the Vaca Muerta and Lower Agrio shales during 2020. The company is continuing efforts to farm out an interest in the block's resource potential in order to reduce its risk exposure.

On November 14, 2019 the company was notified by the Province of Neuquen that the milestones for the vertical test that were agreed as part of the 2 year extension were not being met. The Company is in discussion with the province regarding adjustments to the milestone schedule. Failure by the Company to meet this commitment or to adjust the milestone schedule could result in the termination of the concession and the Company being responsible for approximately \$8 million dollars of investment commitment obligations.

To manage the conflicts of interest inherent in the Company's capital structure, the Board has formed a special committee of independent directors to evaluate potential financing solutions, including use of the existing convertible loan, to meet the commitment.

Centaurus is currently responsible for paying 100% of the costs during the exploration phase of the Curamhuele exploration permit.

Rinconada – Puesto Morales (100% operated)

Preparations are continuing for spudding prior to year-end of a vertical exploration well targeting the Sierras Blancas and Tordillo formations, with an approximate cost of US\$2 million which includes drilling, completing and testing.

Guidance

Ongoing operations on the CASE block are expected to contribute to significant production growth through year-end 2019, but the exact timing of completions remains uncertain. The CASE block operator Pan American Energy will manage operations to minimize costs and maximize completion and information quality rather than accelerating onstream timing.

Production from other assets is expected to be maintained at roughly flat levels for the remainder of the year.

Upcoming News Events

We expect to announce our Q4 2019 operations update in early- to mid-January.

About Centaurus Energy

Centaurus is an independent upstream oil and gas company with both conventional and unconventional oil and gas operations in Argentina. The Company's shares trade on the TSX Venture Exchange under the symbol CTA and on the OTCQX under the symbol CTARF.

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Reader Advisories

Forward Looking Information

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance, in particular, but not limited to, expected timing of various workovers and drilling programs and release of the Company's Q4 operations update, the potential consequences of the Company failing to meet its Curamhuele commitments and management's expectations of significant production growth in the CASE block. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the inability of the Company to meet its commitments in Curamhuele or to reach an agreement with the government of the Nequen Province to revise the commitment schedule, the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves, changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-looking statements in this news release are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements. Investors are encouraged to review and consider the additional risk factors set forth in the Company's Annual Information Form, which is available on SEDAR at www.sedar.com.

Non-GAAP Measurements

The Company utilizes certain measurements that do not have a standardized meaning or definition as

prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other entities, including operating netback, funds flow from continuing operations and working capital. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Company's MD&A. Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating costs. Funds flow from continuing operations per share is calculated using the basic and diluted weighted average number of shares for the period, consistent with the calculations of earnings (loss) per share. Working capital is computed as current assets less current liabilities.

Meaning of Boe

The term "boe" or barrels of oil equivalent 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. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

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