

CENTAURUS



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

(All dollar figures are expressed in United States Dollars)

Buenos Aires, Argentina, April 30, 2020 – Centaurus Energy Inc. ("Centaurus" or the "Company") (TSXV: CTA, OTCQX: CTARF) is pleased to announce its financial and operating results for the three and twelve months ended December 31, 2019.

Centaurus' CEO David Tawil commented: *"I am encouraged by the growth in the Company's production and reserves in this challenging environment. The Company is progressing with optimizing its operations, rationalizing its cost structure and being a nimble and flexible participant in Argentina's energy sector."*

CONFERENCE CALL

The Company will hold an investor conference call to discuss the Company's operating and financial results on Friday May 1, 2020 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) 416 764 8688

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' audited consolidated financial statements for the three and twelve months ended December 31, 2019 and the associated management's discussion and analysis ("MD&A") and the Annual Information Form (the "AIF") for the year ended December 31, 2019, 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		Twelve months ended	
	Dec 31		Dec 31	
	2019	2018	2019	2018
Financial – (\$000s, except per share amounts)				
Oil and gas revenue	8,083	7,822	32,409	33,337
Funds flow from (used in) continuing operations ⁽¹⁾	385	(190)	(642)	4,052
Per share - basic & diluted ⁽¹⁾	(0,00)	(0,00)	0,00	0,00
Net loss from continuing operations	(18,351)	3,236	(23,288)	(3,172)
Per share - basic & diluted ⁽¹⁾	(0,03)	0,01	(0,00)	(0,01)
Capital expenditures	13,505	680	25,967	5,517
Working capital (deficiency) ⁽¹⁾	(20,444)	(691)	(20,444)	(691)
EBITDA	(610)	(198)	(1,931)	4,817
Common shares outstanding - 000s	544,060	544,060	544,060	544,060
Operating				
<i>Average Daily Sales</i>				
Crude oil and Ngl's – Bbls/d	1,847	1,505	1,768	1,534
Natural gas – Mcf/d	1,718	1,478	1,588	1,436
Total - Boe /d	2,134	1,751	2,033	1,774
<i>Average Sales Prices</i>				
Crude oil and Ngl's - \$/Bbl	45.34	56.50	47.03	59.52
Natural gas - \$/Mcf	2.38	4.90	3.53	5.41
Total - \$/Boe	41.17	52.69	43.67	55.87
<i>Operating Netbacks⁽²⁾ - \$/Boe</i>	1.87	8.59	4.71	16.47

(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 alternative 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

March production was approximately 2,620 barrels of oil equivalent ("boe/d") (92% crude oil).

Short-term oil prices and capital controls

Oil pricing in Argentina is tied to international Brent pricing, and consequently, was affected due to significant commodity price volatility due to the COVID-19 pandemic and potential increased production supply from OPEC and Russia.

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)

CASE-101(h), the first of the five-well program, achieved a 30 day average initial production ("IP30") rate of 1,020 barrels of oil per day with an average wellhead pressure of 3,775 psi and a 90 day average initial production ("IP90") rate of 730 barrels of oil per day with an average wellhead pressure of 2,975 psi.

CASE-501(h), the second horizontal multi-frac well of the program, achieved an IP30 rate of 1,003 barrels of oil per day with an average wellhead pressure of 4,885 psi and an IP90 rate of 1,020 barrels of oil per day with an average wellhead pressure of 3,995 psi.

CASE-401(h), the third horizontal multi-frac well of the program, achieved an IP30 rate of 950 barrels of oil per day with an average wellhead pressure of 4,600 psi.

CASE- 301(h), the fourth of the five-well program, achieved a 30-day average initial production ("IP30") rate of 890 barrels of oil per day with an average wellhead pressure of 4,195 psi.

A new CASE-102(h) well was drilled in place of the CASE-201(h) well, which was temporarily abandoned due to technical drilling problems. The new well is currently awaiting completion.

Curamhuele (90% operated)

Centaurus has engaged the Ministry of Energy and Natural Resources of the Province of Neuquén (the "Ministry") and Gas y Petróleo del Neuquén S.A. ("GyP"), a provincial government oil and gas company that has a 10% working interest in the concession, in discussions surrounding the Company's investment commitment obligations.

Pursuant to a January 20, 2020 proposal by the Ministry, which the Company accepted, the Company has submitted a performance bond for a value equal to three thousand two hundred and thirty (3,230) technical units, being US\$ 16,150,000. The bond shall be executed if (i) the Company fails to comply with the terms of the extension, including submission of contracts, invoices or other evidence that the Company has contracted a drilling rig and has secured the wellhead and all casing necessary; or (ii) the March 9, 2021 deadline for completing the commitments.

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

Rinconada – Puesto Morales (100% operated)

Drilling of one vertical exploration well targeting the Sierras Blancas and Tordillo formations has been postponed due to delays in environmental permit approvals and the current COVID-19 situation. The well was originally planned to be spudded prior to year-end 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 2020. The CASE block operator Pan American Energy will manage operations to minimize costs and maximize production, but the exact timing of completion of the fifth well (CASE-102(h)) remains uncertain due to the COVID-19 situation.

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

Summary of 2019 Reserves

The reserve report ("GLJ Report") was prepared in accordance with the definitions, standards and procedures contained in NI 51-101 and the COGE Handbook by GLJ Petroleum Consultants. The GLJ Report contains several cautionary statements that are required by NI 51-101 and the reserves information presented is subject to the contents of the full reports.

Year End 2019 Reserves Highlights:

- Argentina Proved plus Probable ("2P") reserves increased from 10,744 MBoe to 16,880 MBoe;
- Argentina 2P reserve replacement ratio was 859%; and

- 2P BTax NPV 10%, is \$129.9 million.

The following tables provide a summary of the Company's oil and gas working interest reserves before royalties and net present value of future net revenue at December 31, 2019 using forecast prices and costs.

	Reserves									
	Light/Medium Crude Oil		Tight Oil ⁽¹⁾		Conventional Natural Gas		Shale Gas ⁽¹⁾		Total Reserves	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mboe)	Net (Mboe)
Proved										
Developed Producing	1,141	943	425	362	2,059	1,673	0	0	1,909	1,583
Developed Non-Producing	759	635	0	0	166	139	0	0	787	658
Undeveloped	654	540	2,186	1,858	710	600	35	31	2,964	2,504
Total Proved	2,554	2,118	2,612	2,220	2,936	2,412	35	31	5,660	4,744
Probable	2,731	2,278	7,720	6,562	3,311	2,736	1,296	1,141	11,219	9,486
Total Proved Plus Probable	5,285	4,396	10,331	8,782	6,247	5,147	1,331	1,171	16,880	14,230
Possible ⁽³⁾	1,657	1,375	7,553	6,420	1,724	1,430	1,798	1,583	9,798	8,297
Total Proved Plus Probable Plus Possible ⁽³⁾	6,942	5,771	17,885	15,202	7,971	6,578	3,129	2,754	26,677	22,528

Net Present Values of Future Net Revenue USD											
Reserves Category	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)					Unit Value
											Before tax Discounted at 10% ⁽²⁾
	10%										\$/BOE
	0% MM	5% MM	MM	15% MM	20% MM	0% MM	5% MM	10% MM	15% MM	20% MM	
Proved											
Developed Producing	6.6	10.1	11.6	12.3	12.4	6.6	10.1	11.6	12.3	12.4	7.35
Developed Non-Producing	10.4	9.6	8.5	7.6	6.8	10.4	9.6	8.5	7.6	6.8	12.99
Undeveloped	28.3	13.8	4.8	(0.9)	(4.6)	27.5	13.0	4.2	(1.5)	(5.2)	1.93
Total Proved	45.3	33.4	25.0	19.0	14.6	44.6	32.7	24.3	18.4	14.0	5.27
Probable	283.9	165.3	104.9	70.8	50.0	202.8	112.0	65.7	40.0	24.6	11.06
Total Proved Plus Probable	329.3	198.7	129.9	89.8	64.7	247.4	144.6	90.1	58.4	38.7	9.13
Possible ⁽³⁾	411.2	227.9	148.1	106.1	80.7	287.6	156.8	99.9	70.0	52.1	17.85
Total Proved Plus Probable Plus Possible ⁽³⁾	740.4	426.7	278.0	195.9	145.4	535.0	301.4	189.9	128.4	90.8	12.34

Notes:

- (1) These are unconventional Vaca Muerta Shale reserves at CASE and the costs incurred to December 31, 2019 are included in Property, plant and equipment in the Corporation's consolidated financial statements.
- (2) Unit values are based on Corporation Net Reserves.
- (3) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Health, Safety, Environment ("HSE") and Corporate Social Responsibility ("CSR")

Centaurus has a comprehensive HSE management plan for its employees and all contractors. In 2019 the Company key performance benchmarking indicators showed: For the 473,020 + person hours worked, there were five lost time incidents at any of the Company's facilities or operations. Also, in 2019 the Company recorded three reportable spills. The Company takes pride in its CSR initiatives in Argentina. The Company is actively involved in supporting the communities in which it operates, through a number of initiatives including local employment programs, access to health care and improvement in the quality of services, education, water quality and technical assistance on sustainable agricultural production. In 2019 the Company continued with the implementation of its community relations programs in each district that it operates.

Management Appointment

The Company announces that effective April 29, 2020 Steven Azarbad has been appointed Interim Chief Financial Officer.

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. 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 impact of the COVID-19 pandemic on the Company's business and operations (and the duration of the impacts thereof); the inability of the Company to meet its commitments in Curamhuele or to reach an agreement with the government of the Neuquen 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.

Well Test Results

Well test results should be considered as preliminary and not necessarily indicative of long-term performance or of ultimate recovery. Neither a pressure transient analysis nor a well-test interpretation has been carried out on the well test data contained herein and therefore the data contained herein should be considered to be preliminary until such analysis or interpretation has been done.

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.