

CENTAURUS ENERGY INC.

April 25, 2022

DEFAULT ANNOUNCEMENT

Centaurus Energy Inc. (“**Centaurus**” or the “**Corporation**”) provides this default announcement indicating Centaurus’s anticipated failure to file its annual financial statements for the year ended December 31, 2021 and related management discussion and analysis and certifications (collectively, the “**Financial Statements**”) before the prescribed filing deadlines.

The Corporation’s failure to file its Financial Statements on time is due to the following circumstances:

- During the last occurring financial year, the Corporation has engaged in (i) the sale of its most valuable asset, (ii) the negotiation and retirement of its largest and most complex liability and (iii) the sale of its remaining Argentine operations. The transactions consumed most of the Corporation’s attention and resources, leading to a delay in the commencement of the Corporation’s audit procedures.
- In April 2021, the Corporation announced an agreement to sell its most valuable asset in exchange for forgiveness of debt and an overriding royalty interest emanating from the same asset.
- In October 2021, the Corporation announced an agreement to settle and retire its largest and most complex liability, which enabled the closing of the aforementioned asset sale. The asset sale and the liability settlement finally closed in late March 2022.
- In connection with the sale of the Corporation’s Argentine operations, in March 2021, the Corporation was notified by its purchaser of termination of the purchase agreement. Since March 2021, the Corporation has been in diligence and negotiations with alternative purchasers. In September 2021, the Corporation announced a new sale, which is conditional on the closing of the transactions described in the preceding paragraphs.
- As stated above, the Corporation’s operations are located in Argentina. Due to COVID-19 restrictions in Argentina, the Corporation’s auditors were unable to access the operations sites of the Corporation for the purposes of the audit.
- Beginning on March 20, 2020, in Argentina, places of business and offices were closed and free circulation for business purposes was prohibited pursuant to Federal Government Decree. Such Decree was amended and extended numerous times, culminating with Decree 235/21, which was issued on August 4, 2021. Even for those activities that were granted a special permit for being considered essential, it was strongly recommended that activities that be carried out by teleworking, avoiding in-person work.
- Only on October 1, 2021, was the gradual return to offices and place-of-work permitted and even then, under broad guidelines. The Government charged each enterprise with developing appropriate and specific protocol.
- The year-end holidays of 2021 registered a spike in COVID 19 cases in Argentina, which restored previous preventive measures, including home office modality.

In consideration of the foregoing factors, it is Centaurus's submission that the present circumstances warrant the imposition of a Management CTO, rather than a CTO, as contemplated under National Policy 12-203 – *Cease Trade Order Orders for Continuous Disclosure Defaults* (“**NP 12-203**”).

Centaurus's Financial Statements are required to be filed on or before June 30, 2022. Centaurus's failure to file by June 30, 2022 may result in the securities commissions or regulators imposing an Issuer Cease Trade Order.

Centaurus fully expects to file its Financial Statements on or before June 30, 2022 as prescribed by NP 12-203. Further, Centaurus confirms that it intends to satisfy the requirements to provide Default Status Reports as prescribed by NP 12-203 so long as it remains in default of its requirements to file its Financial Statements within the prescribed period of time. Should Centaurus fail to file the appropriate Default Status Reports as prescribed by NP 12-203, the securities commissions or regulators may, as a result of such failure, impose an Issuer Cease Trade Order.

Centaurus confirms that there are no insolvency proceedings against the Corporation as of the date herein. Centaurus also confirms that there is no other material information concerning the affairs of Centaurus that have not been generally disclosed as of the date herein.