Centaurus Energy: Six Years of Stewardship, Stabilization and Renewal

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Calgary, Alberta--(Newsfile Corp. - September 9, 2026) - **LETTER TO SHAREHOLDERS**

Dear Fellow Shareholders:

When I was appointed interim Chief Executive Officer in March 2020, Centaurus was not confronting an ordinary operating setback. It faced a genuine threat to its survival: including, severe liquidity pressure, overdue performance and payment obligations, disputed financing, threatened enforcement against and foreclosure on core assets, substantial performance-bond exposure, and a collapsing oil market at the onset of the COVID-19 pandemic.

The Board had terminated the prior senior management team for cause after an investigation determined that its conduct had placed the Company at significant risk of financial peril. Against that backdrop, my mandate was clear: protect the Company from insolvency, preserve whatever value remained for shareholders, and create a credible path forward.

Six years later, Centaurus is still standing, and now, without any threats; with only potential upside. Centaurus has exited loss-making Argentine operations, extinguished or transferred tens of millions of dollars of operating and secured liabilities, retained a long-dated royalty stream tied to one of its most promising former assets, defeated the largest litigation claims against it, and begun repositioning for new investment activity. That outcome was neither inevitable nor easy.

$16.83M	**$2.9M**	**$97.1M**
contractual ORRI consideration retained, before upward contractual adjustments	short-term debt removed after the 2026 court dismissals	non-capital tax loss carry-forward

A company pulled back from the brink

From late 2020 onward, I became Centaurus's lender of last resort. When conventional and non-traditional lenders in Canada and Argentina would not provide capital, I advanced funds and paid Company obligations directly so that auditors, lawyers, the Exchanges, transfer agents and critical suppliers would continue working with us. Through 2024, those efforts included more than 120 payments totaling over $700,000. The terms of the loan facilities were determined to be on reasonable commercial terms not less advantageous to the Company than arm's-length terms, and the loans were disclosed in accordance with applicable Canadian securities laws. See the Company's March 27, 2024, press release for details. As of June 30, 2026, the two loan facilities owed to me had an aggregate carrying amount of approximately $1.19 million. I also deferred compensation rather than withdraw scarce cash from the business.

These advances were not made to extract fees or transactional benefits. The loans bore a 7% base rate (modest by any measure), carried no finder fees, bonuses or commissions, and allowed Centaurus to meet essential obligations while management negotiated with creditors, provincial authorities, operating partners and prospective purchasers. My capital injection was put at risk alongside yours to keep the enterprise alive.

Furthermore, I have become the Company's largest shareholder, with the continued purchase of shares in the open market, currently holding 186,933 shares.

Liability management that preserved shareholder value

The defining work of this period was not a conventional asset-sale program. It was a series of liability-management transactions undertaken when the Company lacked the capital to satisfy cash calls and drilling commitments and when counterparties possessed meaningful enforcement rights.

At Coirón Amargo Sur Este (CASE), we first transferred a 6% working interest to Pan American Energy (PAE) in January 2021 to cure unpaid cash calls and loan defaults while preserving optionality. After an extensive search failed to produce a viable financing or acquisition solution, we transferred the remaining 29% interest to PAE in 2022. In return, PAE (i) extinguished approximately $26.4 million of secured loan obligations due from Centaurus, (ii) funded $6 million to resolve the Curamhuele exposure, and (iii) agreed to pay Centaurus a contractual overriding royalty interest, or ORRI, with stated consideration of $16.83 million, payable over time and subject to upward contractual adjustments and termination conditions.

This structure converted a minority, capital-intensive working interest that was vulnerable to foreclosure into a passive receivable with no requirement for Centaurus to fund future drilling. PAE has made the scheduled payments to date. Most recently, Centaurus received $383,210 in August 2026, the largest payment under the ORRI to-date. The actual remaining balance under the ORRI after the August 2026 payment is $15,162,325 (plus interest, the "Adjustment Factor" under the ORRI). Based on management's current estimates, ORRI payments over the lifetime of the obligation are expected to total approximately $19 million, with approximately $16.7 million remaining. These estimates constitute forward-looking information within the meaning of applicable Canadian securities legislation and are based on the following material assumptions:

- PAE will continue to make scheduled payments under the ORRI agreement in accordance with its terms and will not exercise any contractual termination rights;

- production at the CASE concession will continue at or near current levels, and no material disruption to operations (including force majeure events or infrastructure constraints) will occur; and
- prevailing global crude oil and natural gas prices will not decline materially from current levels over the remaining payment period.

We note that ORRI payments may differ materially from these estimates. Readers are cautioned not to place undue reliance on these forward-looking estimates.

Notably, the commercial outlook for CASE has recently strengthened. In May 2026, the Province of Neuquén approved Continental Resources' (previously listed as CLR on the NYSE; taken private by its founder, Harold Hamm, in late 2022 at a valuation of about $27 billion) entry into CASE through an 18% interest transferred by PAE to Continental. PAE remains operator. Continental brings deep U.S. unconventional-development experience, and the Province described the transaction as supporting continuity and new investment in strategic Vaca Muerta areas. While Centaurus does not control the development plan and makes no prediction regarding the pace or scope of future development at CASE, any acceleration of the development program by the operator could increase the pace of royalty generation under the ORRI. This statement is forward-looking and assumes that PAE and Continental will pursue additional development at CASE. There is no assurance that this will occur, and the pace and scope of development are entirely outside the Company's control.

Elsewhere, management negotiated the relinquishment or transfer of non-core and heavily burdened assets. The $6 million Curamhuele settlement capped and eliminated massive potential exposure, which was guaranteed by approximately $16 million of performance bonds that could have been called at any time due to drilling commitment defaults. Recently, after relinquishment of the Curamhuele block by Centaurus to the Province of Neuquen, the Province opened the Curamhuele block for bids and no bids were received for Curamhuele, validating Centaurus' relinquishment. In the Province of Formosa, the resolution related to the Palmar Largo block transferred approximately $2.6 million of operating debts, cancelled work obligations and avoided collection under a $1 million performance bond.

Finally, in February 2023, the sale of the Company's Argentine operating subsidiary to Gasener transferred the remaining operating assets and liabilities-including more than $6 million of supplier payables and significant delinquent drilling commitments-while Centaurus retained the PAE ORRI.

A decisive legal victory

After the restructuring of the operating entities, the most significant contingent claims against Centaurus arose from KD Energy, Hispania Petroleum, the Peñafiels and associated parties. Two Alberta actions sought more than $3 million and more than $2 million, respectively, including alleged loan and employment-related amounts. Centaurus defended the actions. On June 17, 2026, both actions were dismissed. The appeal period expired without notice of appeal.

As a result, the Company reversed the related debt provisions and removed $2.904 million of short-term debt from its balance sheet, recording a $3.031 million gain. This result eliminated a major source of uncertainty, materially improved shareholders' equity-from $6.64 million at December 31, 2025, to $9.35 million at June 30, 2026-and vindicated the Company's decision to defend itself rather than settle claims management believed lacked merit.

Additionally, a criminal action in Argentina against the Company's previous CEO, Jose Peñafiel, is continuing.

Restoring corporate footing and preparing the next chapter

Centaurus has operated with extraordinary cost discipline. For an extended period, it maintained only one full-time employee while meeting the governance, audit, legal, tax and reporting obligations of a public company. In 2025, shareholders approved the proposed transition from a Tier 2 oil and gas issuer to a Tier 2 investment issuer.

Our current operating focus is the responsible management of the PAE ORRI and the disciplined deployment of capital. The Company is evaluating financing secured by, or otherwise supported by, expected royalty proceeds so it can pursue cash-flow-generating activities beyond oil and gas without surrendering the underlying royalty value. This evaluation of financing options and investment targets are in progress. There is no assurance that financing on acceptable terms will be available or that any transaction will be completed. Any transaction will be judged against three principles: downside protection, a clear route to recurring cash flow, and alignment with long-term shareholder value. Any such transaction would be subject to, among other things, financing availability, satisfactory due diligence, negotiation of definitive documentation, Board approval and all required regulatory approvals. The above is based on management's current expectations and constitutes forward-looking information.

Centaurus has also established a modest digital-commodity treasury strategy. As of June 30, 2026, it held 97.2847 Ether and had earned staking revenue. This remains a small component of the balance sheet. We will continue to manage it within a disciplined risk framework rather than treat speculation as a substitute for an operating strategy.

Finally, we are evaluating the potential use of the Company's substantial tax attributes, which management estimates at approximately $97 million of net operating losses. Their availability and value are not equivalent to cash: they depend on jurisdiction, expiry periods, continuity-of-business and change-of-control rules, future taxable income, and confirmation by tax advisers and the relevant authorities. There is no assurance that any portion of these tax attributes will be available for use by the Company, or that they will enhance the value of any future transaction. Our objective is to determine whether these attributes can responsibly enhance the economics of a future acquisition or operating platform. This evaluation is forward-looking and assumes, among other things, that a qualifying transaction can be identified and completed and that the relevant tax attributes will be confirmed as available and not subject to limitation under applicable tax legislation.

What these six years mean

The central achievement of the past six years is preservation. We preserved the corporate entity when insolvency was a real possibility. We preserved a meaningful economic interest in CASE when foreclosure could have left shareholders with nothing. We preserved access to public markets through years of restructuring and difficult compliance work. And we preserved optionality for a new business by resolving legacy liabilities instead of allowing them to dictate the Company's future.

I recognize that preservation alone is not the finish line. Centaurus must now convert its cleaner balance sheet, royalty receivable, public listing and potential tax attributes into durable, recurring value. That is the work ahead: secure prudent financing, select a business where we have a defensible path to cash flow, maintain rigorous governance and disclosure, and allocate every dollar as an owner would.

I am deeply grateful to the shareholders who remained patient through an unusually difficult period. I have committed my time, reputation and personal capital to Centaurus because I believe the value we protected can become the foundation for a stronger company. I intend to continue doing the difficult, unglamorous work required to make that belief a reality.

Sincerely,
David D. Tawil
Chairman and Chief Executive Officer
Centaurus Energy Inc.

FOR FURTHER INFORMATION, PLEASE CONTACT:

David Tawil, Chief Executive Officer
email: davidtawil@ctaurus.com
phone: (646) 479-9387

Forward-looking information

This letter contains forward-looking information within the meaning of applicable Canadian securities legislation, including statements regarding future ORRI receipts, CASE development, financing, new operating activities, digital assets, and the potential use of tax attributes. Forward-looking information is based on management's current expectations as of the date of this letter and on the material assumptions described where each such statement appears above.

Actual results may differ materially due to numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Centaurus including: changes in Argentine or Canadian law, regulation, taxation, or currency controls; volatility in digital asset valuations; general economic and market conditions; and the other risks described in this letter and in the Company's public filings on SEDAR+.

Forward-looking statements contained in this letter are expressly qualified by this cautionary statement. Centaurus does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information.

Source: Centaurus Energy Inc