



CENTAURUS

CENTAURUS ENERGY INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(UNAUDITED)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of Centaurus Energy have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.



Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

USD 000s	Note	At March 31 2024	At December 31 2023
Assets			
Current assets			
Cash and cash equivalents		50	13
Trade and other receivables		300	300
Total current assets		350	313
Intangible assets	3	60	-
Other long-term assets	4	15,168	15,318
Total non-current assets		15,228	15,318
TOTAL ASSETS		15,578	15,631
Liabilities			
Current liabilities			
Current Loan	5	746	641
Short term debt	6	2,587	2,551
Derivative liability	6	5	5
Trade and other payables		1,566	1,744
Taxes payable		-	-
Total current liabilities		4,904	4,941
TOTAL LIABILITIES		4,904	4,941
Shareholders' Equity			
Share capital	7	239,029	239,029
Contributed surplus		18,597	18,597
Accumulated other comprehensive loss		(26,941)	(26,941)
Deficit		(220,011)	(219,995)
Total equity		10,674	10,690
TOTAL LIABILITIES AND EQUITY		15,578	15,631

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements.



Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)

USD 000s, except per share amounts	Note	Three months ended March 31	
		2024	2023
Revenues			
Other Income		-	-
		-	-
Expenses			
General and administrative	9	78	4,452
Finance (income) expenses	10	95	73
Other gains and losses		(157)	(5,353)
		16	(828)
Gain (Loss) before income taxes		(16)	828
Income tax recovery (expense)			
Current		-	-
Deferred		-	-
		-	-
Gain (Loss)		(16)	828
Comprehensive Gain (Loss)		(16)	828
Net Gain (Loss) per share			
Basic and diluted – continuing	7	(0.01)	0.76
Basic and diluted – total	7	0.02	0.79

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements.



Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

USD 000s	Share Capital (note 7)	Contributed Surplus	Equity Component of Convertible Debentures (note 7)	Accumulated Other Comprehensive Loss	Deficit	Total Equity
Balance at December 31, 2023	239,029	18,596	-	(26,941)	(219,995)	10,689
Net Loss	-	-	-	-	(16)	(16)
Balance at March 31, 2024	239,029	18,596	-	(26,941)	(220,011)	10,673
Balance at December 31, 2023	239,029	18,683	-	(26,941)	(258,027)	(27,256)
Net Gain	-	-	-	-	37,714	37,714
Share-based compensation	-	58	-	-	-	58
Balance at March 31, 2024	239,029	18,741	-	(26,941)	(220,313)	10,516

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements.



Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

USD 000s	Note	Three months ended March 31	
		2024	2023
Cash provided by (used in):			
Operating			
Net Gain (Loss)		(16)	828
Items not affecting cash:			
Unrealized (gain) loss on foreign exchange	10	(10)	29
Change in other long-term assets		150	
Change in other long term liabilities			
Change in non-cash working capital	8	(168)	12,113
Cash flow from (used in) operating activities		(44)	12,970
Investing			
Change in intangible assets	3	(60)	-
Change in non-cash working capital	8	-	-
Net cash from (used in) investing activities		(60)	-
Financing			
Loan received	5	95	-
Change in non-cash working capital	8	46	-
Net cash used in financing activities		141	-
Change in cash and cash equivalents		(37)	(287)
Cash and cash equivalents, beginning of period		13	459
Cash and cash equivalents, end of period		50	172

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements.



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars ("USD"), except per share amounts and as otherwise stated)

1. Reporting Entity

Centaurus Energy Inc. (the "Company," the "Corporation," or "Centaurus") was involved in the exploration, development and production of oil and natural gas in Argentina until January 2023. The Company is currently focused on managing the future proceeds from the Overriding Royalty Interest payable by Pan American Energy, (the "PAE ORRI"), which may include investment in new endeavors and/or capital returns. Centaurus's registered office is 1250, 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9.

The consolidated financial statements include the results of the following wholly-owned subsidiaries:

- Madalena Petroleum Ltd. (Canada) ("MPL")
- Madalena Petroleum Americas Limited (Barbados) ("MPAL")
- Madalena Petroleum Holdings Limited (Barbados)

2. Basis of Preparation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplate the realization of assets and the settlement of liabilities in the normal course of business as they become due.

The Company incurred a net gain of \$16 for the period ended March 31, 2024 (2023 \$828), has a working capital deficiency of \$4,554 (December 2023 - \$4,628) and an accumulated deficit of \$220,011 (December 2023 - \$219,995).

These condensed interim consolidated financial statements do not include adjustments in the carrying values of the assets and liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and are presented in United States Dollars ("USD") unless otherwise indicated.

These condensed interim consolidated financial statements follow the same accounting policies and method of computation as the annual consolidated financial statements for the year ended December 31, 2023. The disclosures provided below are incremental to those included with the annual consolidated financial statements. Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on **May 13, 2024**.

3. Intangible Assets

Intangible assets are comprised of Ether purchased as primary treasury reserve asset, following the company's new capital allocation strategy announced in March 27, 2024.

These cryptocurrencies are valued at acquisition cost (net of impairment if applicable) due to there are no intentions to sell them in the short term.



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars (“USD”), except per share amounts and as otherwise stated)

As of March 31, 2024, the company owned a total of 16.8255 Ether (ETH).

As of May 13, 2024, the Company owned a total of 56.5435 Ether (ETH).

4. Other Long-Term Assets

Other long-term assets are comprised of long-term receivables for which the fair value approximates the carrying value. The long-term receivables primarily relate to the USD denominated ORRI receivable from PAE due to the CASE Sale Agreement. The remaining net value is \$15.5 million (\$15.2 million are included within Other Long Term Assets).

The PAE ORRI, announced on April 28, 2021 and closed on March 23, 2022, is the payment, over time, of 1.25% to 2.5% Overriding Royalty Interest over the net proceeds corresponding to the 29% interest assigned by Centaurus to Pan American Energy, S.R.L., Argentine Branch (“PAE”), which is payable by PAE in semi-annual installments, and other considerations totaling \$16.83 million (as of the effective date of January 1, 2021).

To date, PAE has made payments as planned. Centaurus expects that PAE will continue to make the payments in the future from the output and revenue from Coiron Amargo Sur Este.

Initially, the payments to Centaurus equal an overriding royalty of 1.25%, with another 1.25% being credit to PAE for previous payment made to the Province of Neuquén on behalf of Centaurus. Upon complete satisfaction of the previous payments made to the Province of Neuquen by PAE on behalf of Centaurus, Centaurus will receive semi-annual overriding royalty payments of 2.5% corresponding to the 29% interest assigned by Centaurus to PAE.

In February 2024, Centaurus received \$150,200 relating to the PAE ORRI.

The next payment is expected in August 2024.

5. Loan

On October 19, 2020, the Corporation signed a loan agreement with David Tawil, the Chief Executive Officer, bearing interest at 7% per annum (“Tawil Loan 1”)

Then, on March 20, 2024, in connection with the company's new capital allocation strategy (see note 3), David Tawil has entered into a new loan agreement with Centaurus, providing up to USD 1.5 million of capital, at greater of: (i) 7% per annum or (ii) 65% of the profits on the corresponding Ether purchased by the Company (“Tawil Loan 2”).

USD 000s	Tawil Loan 1	Tawil Loan 2	Total
At December 31, 2023	641	-	641
Proceeds	-	95	95
Interest	10	-	10
At March 31, 2024	651	95	746
Current	651	95	746
Long-term	-	-	-
Total	651	95	746

Since the Ether has been purchased as a reserve asset, the Company's intention is not to sell them in the short term. Therefore, no liability is recognized on the Tawil Loans for changes in value in the Ether.



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars ("USD"), except per share amounts and as otherwise stated)

6. Convertible Loan Working Capital and Short term debt

On May 8, 2017, Centaurus entered into a series of agreements (the "Transactions") with Hispania Petroleum S.A., ("Hispania"), a private, family-owned Spanish energy company and a related party of the Company, where José David Peñafiel is a director, which provides for a total package of debt and mezzanine financing of up to \$23 million through (i) a working capital loan (the "Working Capital Loan") of up to \$6.5 million and (ii) a convertible loan of up to \$16.5 million (the "Capex Loan") for purposes of funding Centaurus' capital expenditure obligations in the Puesto Morales concession and funding one or more acquisitions of oil and gas assets. The Working Capital Loan and the Capex Loans are each multi-drawdown facility. Interest accrues at 7% per annum. Principal and interest on each drawdown is repayable thirty-six months after drawdown.

On April 7, 2019 the Company entered into an amended and restated convertible loan agreement (the "Amended and Restated Loan Agreement") with KD Energy and Hispania, and extended the term of the Working Capital Loan agreement (the "Working Capital Loan Agreement"). The Amended and Restated Loan Agreement was approved on June 5, 2019 by a special meeting of shareholders.

As of March 31, 2024, \$0.3 million has been drawn on the Capex Loan and \$1.7 million has been drawn on the Working Capital Loan by the Company.

On March 25, 2020, the Corporation announced that Jose Peñafiel and Alejandro Peñafiel had been terminated and had ceased to be officers and directors of the Corporation. On March 27, 2020 the Company announced it had received a notice of default and reservation of rights from KD Energy and Hispania.

KD Energy International, Capital Limited, Jose David Penafiel, Alejandro Augusto Penafiel, and Totisa Holdings S.A. v Centaurus Energy Inc

In a Canadian court, KD Energy has made a claim for repayment of funds advanced to Centaurus allegedly under a CapEx loan in the amount of USD\$2,093,014.76, plus 7% interest from 7 April 2020 to date of trial, or alternatively claim by Totisa in unjust enrichment for funds advanced in the amount of USD \$2,093,014.76 plus interest under the Judgment Interest Act, plus costs. In addition, in the same case, Jose Penafiel has claimed for wrongful dismissal damages of USD\$315,000 plus aggravated and punitive damages of \$300,000, and Alejandro Penafiel has claimed for wrongful dismissal damages of USD\$180,000 plus aggravated and punitive damages of \$150,000, plus interest. In this case, Centaurus defeated a summary judgment application by Totisa.

KD Energy International Capital Limited and Hispania Petroleum S.A. v Centaurus Energy Inc.

In the same Canadian court, KD Energy and Hispania have made claims for repayment of debt in the amount of USD\$2,411,770.40 plus interest of 7% per annum accruing from 27 June 2022 to date of trial, for funds advanced to Centaurus under either a CapEx loan or Working Capital Loan facility, plus costs. This relief sought is duplicative of the relief sought previously.

Centaurus filed a Statement of Defence and Counterclaim, seeking to set off any amounts owing, seeking damages of at least \$3,000,000 and punitive damages against the Plaintiffs, and seeking to consolidate the Actions.

The Plaintiffs filed a Statement of Defence to Counterclaim and Reply to Defence. Centaurus filed a Reply to Statement of Defence to Counterclaim.

PEÑAFIEL, JOSÉ S/INFRACCIÓN ARTS. 309 Y 311 DEL C.P.

Centaurus Energy's prior management, specifically, Mr. José David Peñafiel and Mr. Alejandro Peñafiel, have been charged with and are being investigated by federal prosecutors in Buenos Aires, Argentina for numerous criminal



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars (“USD”), except per share amounts and as otherwise stated)

counts, including, fraudulent management, special fraud to shareholders, market manipulation, accounting fraud, and money laundering.

The following table presents the reconciliation of the beginning and ending balances of the components of the loans as of December 31, 2023 and as of March 31, 2024:

USD 000s	Liability	Derivative Liability	Total
At December 31, 2023	2,551	5	2,556
Revaluation of conversion option	-	-	-
Interest	36	-	36
At September 30, 2023	2,587	5	2,592

7. Share Capital

The Company is authorized to issue an unlimited number of common shares and preferred shares. The holders of common shares are entitled to receive dividends as declared by the Company and are entitled to one vote per share. No preferred shares were outstanding at March 31, 2024 or December 31, 2023. No dividends have been declared by the Company at March 31, 2024 or December 31, 2023.

	Number of Shares 000s	Share Capital 000s
Balance at December 31, 2022	1,093	239,029
Balance at December 31, 2023	1,088	239,029
Balance at March 31, 2024	1,088	239,029

Net Income (Loss) Per Share

As of March 31, 2024, there is no dilutive impact of the convertible debentures or share options. The following table provides the weighted average number of common shares used in the per share calculations:

	Three months ended March 31	
	2024	2023
Weighted average number of common shares - basic - 000s	1,088	1,093
Net Gain (Loss) from continuing operations - USD 000s	(16)	828
Per share - basic & diluted - continuing operations (\$/share)	(0.01)	0.76
Per share - basic & diluted - total (\$/share)	0.02	0.79



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars (“USD”), except per share amounts and as otherwise stated)

8. Supplemental Cash Flow Information

Changes in non-cash working capital

USD 000s	Three months ended March 31	
	2024	2023
Trade and other receivables	-	19,664
Other current assets, including inventory	-	286
Lease liabilities	-	-
Trade and other payables	(122)	(7,837)
Change in non-cash working capital ¹	(122)	12,113
Attributable to:		
Operating activities	(168)	12,113
Investing activities	-	-
Financing activities	46	-
	(122)	12,113

(1) Change in non-cash working capital excludes the current portion of long-term debt, as this is considered part of financing activities.

Other cash flow information

USD 000s	Three months ended March 31	
	2024	2023
Interest paid (income)	45	44
Interest received (income)	-	-
Taxes paid	-	-

9. G&A

Centaurus’s condensed interim consolidated statements of income (loss) and comprehensive income (loss) are prepared primarily by nature of expenses, with the exception of employee compensation costs which are included in both the operating and general and administrative expense line items on the condensed interim consolidated statements of income (loss) and comprehensive income (loss). The following table details the amount of total employee compensation costs included in the operating and general and administrative expense line items in the condensed interim consolidated statements of income (loss) and comprehensive income (loss).



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars (“USD”), except per share amounts and as otherwise stated)

USD 000s	Three months ended March 31	
	2024	2023
General & administrative expenses		
Compensation costs	-	18
Other	78	4,434
	78	4,452

10. Finance (Income) Expenses

Finance (Income) and Expenses are made up of the following:

USD 000s	Three months ended March 31	
	2024	2023
Bank charges	1	-
Foreign exchange loss (gain)	(10)	29
Interest (income) and other expenses	104	44
	95	73

USD 000s	Three months ended March 31	
	2024	2023
Unrealized foreign exchange loss (gain)	(10)	29
Total	(10)	29

11. Sale of Madalena Energy Argentina SRL to Gasener

On January 12, 2023, Centaurus closed an agreement with Gasener SRL, a hydrocarbon trading company based in Argentina, whereby Gasener has acquired Madalena Energy Argentina S.R.L, the Company’s operating subsidiary based in Argentina. Pursuant to the Transaction, Gasener has acquired MEA for a purchase price of US\$20,000 and will assume all liabilities with respect to MEA. Prior to the Transaction, Centaurus acquired MEA’s interests in the PAE ORRI in exchange for assumption and extinguishment of the intercompany debt owed by MEA to Centaurus. In addition, as part of the Transaction, a debt obligation of approximately US\$260,000 owed by MEA to David D. Tawil was assumed by Centaurus. The effect of the Transaction is that the Company has transferred all its conventional oil and gas assets and related liabilities in Argentina, including sizable upcoming drilling commitments, to Gasener, while retaining the PAE ORRI.



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars ("USD"), except per share amounts and as otherwise stated)

12. Financial Instruments and Risk Management

The Company is exposed to various risks that arise from its business environment and the financial instruments it holds. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, policies and procedures. The following outlines the update to risk exposures and explains how they are managed.

Capital Management

The Corporation's objective has been to maintain its capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Corporation manages its capital structure and makes adjustments to it, as it is able to, in light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Corporation may obtain or issue shares, adjust its capital spending to manage current and projected debt levels, sell non-core assets, farm-out existing opportunities or attempt to obtain new credit facilities.

The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the next twelve months and there are no external restrictions on the Corporation's capital structure.

Liquidity

At March 31, 2024, total cash and cash equivalents were \$50 thousand; \$15 thousand was deposited with banks in Canada and USA and \$35 thousand was deposited in a Bitbuy account (December 31, 2023 - \$13 thousand in banks in Canada and USA). That money was mostly held in USD.

Repatriation of Funds to Canada

Despite the proceeds of the PAE ORRI being paid in Argentina, the Company no longer has any operations in Argentina. Funds are required to enable the Company to maintain compliance and manage the regulatory, reporting, audit, legal and tax requirements of a company listed on the TSXV.

Market risk

Changes in commodity prices, interest rates, Ether prices, and foreign currency exchange rates can expose the Company to fluctuations in its net earnings and in the fair value of its financial assets and liabilities.

Credit risk

The Company is exposed to credit risk in relation to its cash and cash equivalents, trade and other receivables, and other long-term assets.

Cash and cash equivalents are held in local short term investments, and therefore the Company does not believe these financial instruments are subject to material credit risk.

Other long-term assets relate to amounts due from PAE in Argentina relating to the ORRI. These amounts are expected to be received pursuant to the terms of the ORRI.

During 2024, no provision for doubtful accounts has been recorded (2023 – nil).



Notes to the Condensed Interim Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(Tabular amounts are stated in thousands of United States dollars ("USD"), except per share amounts and as otherwise stated)

13. Purchase of Common Shares

On May 19, 2023, Centaurus announced that the TSX Venture Exchange ("TSX-V") accepted the Company's notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 109,315 of its common shares, representing 10% of Centaurus' Public Float (calculated in accordance with the rules of the TSX-V), over a twelve month period commencing on May 25, 2023. The NCIB will expire no later than May 25, 2024.

As of March 31, 2024, Centaurus has purchased 7,700 shares.