



Crown Point Energy and Centaurus Energy enter into Term Sheet and propose to merge in a stock-based business combination to Create an Operationally Diversified, Financially Strong, Argentina-focused oil and gas production Company.

Highlights

- **Complementary, Scalable Oil Production Businesses Strengthen Combined Position in Argentina**
- **Access to funding for upcoming Vaca Muerta oil production development in Coiron Amargo Sur Este**
- **Expert management with international experience and deep local ties**
- **Operational Efficiencies to Generate Cost Synergies**
- **Transaction Closing expected early Q2 2021**

CALGARY, Alberta - January 7, 2021 -- Crown Point Energy Inc. ("Crown Point") (TSXV: CWV), a Calgary-based oil and gas company with Argentine upstream conventional oil and gas assets, and Centaurus Energy Inc. ("Centaurus") (TSXV: CTA and OTCQB: CTARF), an independent, Canadian company focused on Argentine upstream oil and gas conventional and unconventional operations, are pleased to announce that they have entered into a non-binding term sheet (the "Term Sheet") in which they propose to combine their businesses (the "Proposed Transaction") and create an operationally diversified, financially strong, Argentina-focused oil and gas, exploration and production company (the "Combined Company"). It is currently intended that the Proposed Transaction be a 60/40 combination in favour of Crown Point, subject to adjustment following due diligence.

The Combined Company would possess multiple conventional oil-producing assets, a marquee, in-production Vaca Muerta shale oil asset (Coiron Amargo Sur Este) and high-quality exploratory assets. The Proposed Transaction would bring together deeply connected and experienced industry, leadership and financial professionals inside Argentina and in North America with access to debt funding for upcoming development of Coiron Amargo Sur Este. The Combined Company would also benefit from operational efficiencies that are expected to lead to cost synergies.

In connection with the Proposed Transaction, the leadership of the Combined Company would seek a local, Argentina-listing of the Combined Company's common shares.

The signing of the Term Sheet has been unanimously approved by Crown Point's and Centaurus' board of directors.

The Proposed Transaction is subject to a number of conditions, including the satisfactory completion of due diligence by both parties, the negotiation of a mutually satisfactory arrangement agreement, and the receipt of shareholder, TSX Venture Exchange and court approval. If the Proposed Transaction proceeds,



it would be expected to close early in the second quarter of 2021. Further details regarding the Proposed Transaction will be provided if and when the conditions contained in the Term Sheet are satisfied and a definitive arrangement agreement is executed by the parties.

The parties have agreed that the Combined Company would have a combined management team and Board of Directors, which would include: two co-CEOs, one of whom would be David Tawil, the current interim CEO of Centaurus, and the other would be appointed by Crown Point; a CFO and COO who would be appointed by Crown Point; a seven member Board of Directors, four of whom would be appointed by Crown Point and three of whom would be appointed by Centaurus; a Chairman of the Board who would be appointed by Crown Point; and a Vice-Chairman of the Board, who would be appointed by Centaurus.

Crown Point's CEO, Brian Moss, commented: "The Proposed Transaction would create an organization with the operational, managerial and financial capacity to be an important player in the Argentina upstream sector. The Coiron Amargo Sur Este is a world class unconventional asset that has the potential to provide the Combined Company's shareholders with profitable, stable growth for many years."

Centaurus' CEO, David Tawil, commented: "We are excited at the prospect of joining with Crown Point, an exemplary operation with preeminent cornerstone investors, to create an outstanding Argentina oil & gas exploration and production company."

Euro-Latin Capital is acting as the financial advisor to Centaurus. TingleMerrett LLP and MBP Partners are acting as legal counsel to Centaurus. Burnet, Duckworth & Palmer LLP is acting as legal counsel to Crown Point.

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About Crown Point

Crown Point Energy Inc. is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and with operations in Argentina. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

About Centaurus

Centaurus Energy Inc. (formerly Madalena Energy Inc.) is an independent, Canadian company focused on Argentine upstream oil and gas with operations in four provinces of Argentina where it is focused on the delineation of unconventional resources in the Vaca Muerta shale, Lower Agrío shale and Loma Montosa oil plays. Centaurus is implementing horizontal drilling and completions technology to develop both its conventional and resource plays.

Advisories

Forward-Looking Information

Certain information in this press release contains forward-looking information. This information is based on Crown Point's and Centaurus' reasonable assumptions and beliefs in light of the information currently available to them and are made as of the date of this press release. Actual results and the timing of events may differ materially from those anticipated in the forward-looking information as a result of various factors. Information regarding the parties' expectations of future results, performance, achievements, prospects or opportunities or the markets in which they operate is forward-looking information. Statements containing forward-looking information are not facts but instead represent Crown Point's and Centaurus' expectations, estimates and projections regarding future events or circumstances. This press release contains forward-looking information concerning, among other things, the following: the possibility of Crown Point and Centaurus entering into a business combination, the intention that the Proposed Transaction be a 60/40 combination in favour of Crown Point, the potential benefits to be derived therefrom (including operational efficiencies that will lead to cost synergies), the composition of the Combined Company's board of directors and management team, and the timing of closing; the ability of the Combined Company to access funding for upcoming development; the attributes of the Combined Company and its assets, including that the Combined Company will be operationally diverse and financially strong; and the intention to list the Combined Company's common shares in Argentina. Many factors could cause the parties' actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, but not limited to, the following: the possibility that the Proposed Transaction does not proceed at all or that closing thereof is delayed, whether because one or both of the parties is not satisfied with the results of its due diligence, the parties are unable to negotiate a definitive arrangement agreement, the parties are unable to satisfy one or more of the conditions to closing contemplated by the Term Sheet,



the parties are unable to obtain one or more of the approvals required to complete the Proposed Transaction, or otherwise; the possibility that the currently contemplated economics of the Proposed Transaction of a 60/40 combination in favour of Crown Point changes, whether as a result of due diligence adjustments or other reasons; and the possibility that the Combined Company is unable to raise the capital required to fund its ongoing operations. With respect to forward-looking information contained in this document, the parties have made assumptions regarding, among other things: their ability to satisfy the conditions to closing the Proposed Transaction set out in the Term Sheet; the satisfactory completion of the parties' due diligence; the ability of the Combined Company to raise the capital required to fund the obligations of the Combined Company; and the ability of the parties to obtain the receipt of applicable third-party approvals. Readers are urged to consider the uncertainties, risks and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. We have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

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