



## NEWS RELEASE

MAY 12, 2016

### CONDOR ANNOUNCES 2016 FIRST QUARTER RESULTS

CALGARY, May 12, 2016 – Condor Petroleum Inc. (“Condor” or the “Company”) (TSX: CPI) is pleased to announce the release of its Unaudited Interim Consolidated Financial Statements for the three months ended March 31, 2016, together with the related Management’s Discussion and Analysis. These documents will be made available under Condor’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Condor website at [www.condorpetroleum.com](http://www.condorpetroleum.com). All financial amounts in this news release are presented in Canadian dollars, unless otherwise stated.

#### Q1 2016 Highlights

- On January 7, 2016 the Company entered into an agreement with Marsa Energy Inc. (“Marsa”) to acquire all of the issued and outstanding common shares of Marsa based on an exchange ratio of 1.84326 Condor common shares for each Marsa common share (the “Marsa Transaction”). On March 24, 2016 the Marsa Transaction was completed and Condor issued 8,653,013 post-consolidation common shares to the Marsa shareholders. Following the Marsa Transaction, the outstanding Condor common shares were consolidated on a ten-to-one basis with numbers of common shares adjusted retrospectively. The Company currently has 43.3 million common shares outstanding.
- The Marsa Transaction provides Condor with a 100% interest in the four Ortakoy production licenses in Turkey that includes the Poyraz Ridge field which increases Condor’s gross Proved plus Probable reserves 119% from 3,104 Mboe to 6,808 Mboe as of December 31, 2015 as per the independent evaluation of crude oil reserves prepared by McDaniel & Associates Consultants Ltd. for the Kazakhstan assets and per the independent evaluation of gas and condensate reserves prepared by DeGolyer and McNaughton for the Turkish assets (see Reserves Advisory).
- As per the independent evaluations of the crude oil, condensate and gas reserves of the Kazakhstan and Turkish assets as at December 31, 2015, the corresponding reserves values (NPV10 after tax) for Proved reserves is USD 44.1 million, for Proved plus Probable reserves is USD 95.2 million and for Proved plus Probable plus Possible reserves is USD 163.3 million (see Reserves Advisory).
- Detailed design for a 15 MMscf/day gas processing facility is underway for the Poyraz Ridge field and contracts are being completed for long lead equipment including refrigeration and gas compression. Location construction for the central processing facility has commenced and development well locations are being surveyed with drilling scheduled to commence in the third quarter of 2016. Up to four development wells are planned this year that will compliment gas

production from three existing wells. The export pipeline route is also being surveyed. The project remains on track for gas sales to commence in mid-2017.

- Working capital (defined as current assets minus current liabilities) as of March 31, 2016 was \$40.9 million and the Company had no debt.
- Shoba operations remained suspended as at March 31, 2016. Production is expected to resume in 2016 once Shoba and Taskuduk production contracts are executed and export sales are permitted.
- The Company recorded net loss of \$4.1 million for the three months ended March 31, 2016 (2015: \$0.04 million), which includes \$2.3 million of foreign exchange loss (2015: gain of \$5.5 million) and deferred tax recovery of \$1.8 million (2015: deferred tax expense of \$1.4 million).

## **About Condor**

Condor is a Canadian based oil and gas company with a 100% interest in the exploration rights to the 3,777 square kilometer Zharkamys West 1 Territory located in the Pre-Caspian basin in the Republic of Kazakhstan and a 100% working interest in four contiguous production licenses covering 171 square kilometers located in the Gallipoli Peninsula in the Republic of Turkey. Condor is listed on the TSX under the symbol "CPI".

## **Reserves Advisory**

This news release includes information pertaining to the independent Evaluation of Crude Oil Reserves Shoba and Taskuduk West Fields, Kazakhstan as of December 31, 2015 prepared by independent reserves evaluators McDaniel & Associates Consultants Ltd. ("McDaniel") and the Report as of December 31, 2015 on Reserves and Revenue Attributable to the Poyraz Ridge Field in the Thrace Basin, Turkey prepared by DeGolyer and MacNaughton ("D&M"). Each report was prepared by qualified reserves evaluators in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and are based on respective McDaniel and D&M forecast pricing effective December 31, 2015. Additional reserve information as required under NI 51-101 is included in the Company's Annual Information Form filed on SEDAR.

Statements relating to reserves are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated. The reserve estimates described herein are estimates only. The actual reserves may be greater or less than those calculated. Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations, probabilistic methods and analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves.

References herein to barrels of oil equivalent ("boe") are derived by converting gas to oil in the ratio of six thousand cubic feet ("Mcf") of gas to one barrel of oil based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given 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 Mcf to 1 barrel, utilizing a conversion ratio at 6 Mcf to 1 barrel may be misleading as an indication of value, particularly if used in isolation.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than Probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves.

### **Advisory on Forward-Looking Statements**

All statements other than statements of historical fact may be forward-looking statements. Such statements are generally identifiable by the terminology used, such as "seek", "appear", "anticipate", "believe", "intend", "expect", "plan", "estimate", "continue", "project", "predict", "budget", "outlook", "may", "will", "should", "could", "would" or other similar wording. Forward-looking statements in this news release include, but are not limited to, information concerning: the timing and ability to mature drill-ready targets; the timing and ability to obtain various approvals for the Company's exploration and development activities; the expectations, timing and costs of exploration, appraisal and development activities including the cost of drilling future wells; the timing and ability to develop the gas reserves, construct the required infrastructure and deliver first gas; the timing and ability to obtain future funding on favourable terms; the timing and ability to access oil and gas pipelines and oil and gas domestic and export sales markets; the timing and ability to bring discoveries into commercial production including the timing and ability to obtain production contracts; the timing and duration of production interruptions; the timing and ability to re-commence production.

Forward-looking statements involve the use of certain assumptions that may not materialize or that may not be accurate and are subject to known and unknown risks and uncertainties and other factors, which may cause actual results or events to differ materially from those expressed or implied by such information. Condor's operations are also subject to certain other risks and uncertainties inherent with oil and gas operations and additional information on these and other factors that could affect Condor's operations and financial results. These factors are discussed in greater detail under Risk Factors - Risks Relating to the Company in Condor's Annual Information Form, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not undertake any obligation to update or to revise any of the forward looking information, except as required by applicable law.

### **Abbreviations**

The following is a summary of abbreviations used in this news release:

Mboe	Thousands of barrels of oil equivalent
NPV	Net present value

USD

United States dollars

**The TSX does not accept responsibility for the adequacy or accuracy of this news release.**

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