



Management's Discussion and Analysis
For the three and nine months ended September 30, 2017
Dated November 14, 2017

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Petroleum Inc. ("Condor" or the "Company") is an international oil and gas company incorporated on October 20, 2006 with activities in the Republic of Kazakhstan ("Kazakhstan") and the Republic of Turkey ("Turkey"). Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.

The following Management's Discussion and Analysis ("MD&A") of Condor should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2017 and 2016, and the audited consolidated financial statements for the years ended December 31, 2016 and 2015 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. This MD&A is dated November 14, 2017, the date the Condor Board of Directors approved the financial statements.

All financial amounts are in Canadian dollars, unless otherwise stated.

NON-GAAP FINANCIAL MEASURES

The Company refers to "operating netback" in this MD&A, a term with no standardized meaning as prescribed by GAAP and which may not be comparable with similar measures presented by other issuers. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. Operating netback is calculated as crude oil sales revenue less production costs, royalty expense and transportation and selling expense on a dollar basis and divided by the sales volume for the period on a per barrel basis. This non-GAAP measure is commonly used in the oil and gas industry to assist in measuring operating performance against prior periods on a comparable basis and has been presented in order to provide an additional measure for analyzing the Company's crude oil sales on a per barrel basis and ability to generate funds.

OVERALL PERFORMANCE

Highlights

- Construction of the Poyraz Ridge gas processing facility in Turkey has been completed. Pre-commissioning activities have successfully been performed, introducing gas to the various processing components.
- Construction of the 16 km Poyraz Ridge sales gas pipeline has also been completed and is undergoing acceptance testing. Commercial production with initial rates targeting 10 MMscf/day is expected to commence in the fourth quarter of 2017.
- The Poyraz 3 and Poyraz West 4 development wells in Turkey have been completed and tied into the processing facilities.
- The Yakamoz 1 exploration well in Turkey was drilled to a total depth of 2,250 meters encountering numerous gas shows while drilling. Though the well was abandoned without testing,

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post-well remapping of the Yakamoz prospect indicates the well was drilled off-structure and side-tracking alternatives are being evaluated.

- Production from Shoba and Taskuduk in Kazakhstan averaged 457 bopd for the three months and 410 bopd for the nine months ended September 30, 2017 and the operating netback which is defined as crude oil sales revenue less production costs, royalty expense and transportation and selling expense, averaged \$19.79 per barrel in the third quarter of 2017 and \$18.47 per barrel for the nine months ended September 30, 2017.
- The Company has referred the Zharkamys exploration contract extension case to the Supreme Court of Kazakhstan and the hearing is scheduled to commence on November 29, 2017. The ongoing court proceedings related to Zharkamys do not affect the Company's Shoba and Taskuduk oilfields which are each governed by separate production contracts.
- During the first quarter of 2017, the Company established and received funds from a USD 10.0 million secured non-revolving credit facility which bears interest at 14% and matures on January 31, 2020 and issued to the lender a warrant certificate exercisable into one million common shares of Condor at \$2.35 per share on or before January 31, 2020.
- The Company recorded net loss of \$2.5 million for the three months ended September 30, 2017 (2016: \$1.7 million) and \$66.5 million for the nine months ended September 30, 2017 (2016: \$8.7 million) which includes \$56.6 million of exploration and evaluation expense pertaining to the derecognition of the Zharkamys contract in the first quarter of 2017.

Operations

The Shoba and Taskuduk oilfields in Kazakhstan produced 42,059 barrels of oil or an average of 457 bopd for the three months ended September 30, 2017 and 111,806 barrels of oil or an average of 410 bopd for the nine months ended September 30, 2017. For the three and nine months ended September 30, 2016 the Company produced 5,903 barrels of oil or an average of 64 bopd. Production increased as there was no production in 2016 until mid-September when production resumed at Shoba following the signing of the Shoba production contract.

In Turkey, construction of the Poyraz Ridge gas processing facility is complete. Construction of the 6" sales gas pipeline is also complete after receiving approvals for all the surface right-of-way access rights. Production is expected to commence in the fourth quarter of 2017 at an initial rate of 10 MMscf/day following formal commissioning of the facility and the pipeline and obtaining the customary government approvals.

The Poyraz 3 and Poyraz West 4 development wells in Turkey have been completed and tied into the processing facilities.

The Yakamoz 1 exploration well in Turkey was drilled to a total depth of 2,250 meters to test a "new" sub-thrust-fold play type located 2 km from the Poyraz Ridge gas field. The well confirmed that an active petroleum system extends to the north and west of Poyraz Ridge and, as predicted, numerous gas shows proved an extensive fracture system prevails along the Miocene-Eocene sub-thrust trend. Though Yakamoz 1 was abandoned without testing, the well provided critical structural and stratigraphic information that can be tied back to the regional 2D seismic as it relates to trap, reservoir and seal within this fairway. Based on the new velocity-depth information, re-mapping of the Yakamoz prospect concluded the well was drilled off-structure. Condor is currently integrating this data into a revised geological model with a view to side-tracking the Yakamoz 1 well in addition to high grading prospective areas for future 3D seismic and additional exploration drilling along and sub-parallel to this trend.

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The net loss for the nine months ended September 30, 2017 of \$66.5 million (2016: \$8.7 million) includes \$56.6 million of exploration and evaluation expense pertaining to the derecognition of the Zharkamys contract in the first quarter of 2017 and \$1.6 million of exploration and evaluation expense related to the Yakamoz 1 well. Cash used in operations amounted to \$1.5 million for the three months ended September 30, 2017 compared to \$2.7 million in the third quarter of 2016. Capital expenditures for the three months ended September 30, 2017 amounted to \$2.8 million (2016: \$6.6 million) and for both periods relates mainly to Poyraz Ridge field development in Turkey.

Zharkamys exploration contract

The Company's Zharkamys exploration contract ("Zharkamys Contract") with the Ministry of Energy of the Government of Kazakhstan ("Ministry") was due to expire on December 14, 2016. Prior to this date, the Kazakhstan Chamber of International Commerce and subsequently the Kazakhstan Civil Court ("Civil Court") confirmed that a force majeure event had occurred which, under Kazakhstan subsurface use law, can be the basis for the Zharkamys Contract validity period to be extended for a period of 630 days. In May 2017, the Kazakhstan Court of Appeal ("Court of Appeal"), pursuant to an appeal filed by the Ministry, released its ruling dated April 14, 2017 that the force majeure event is not recognized and reversed the decision of the Civil Court. As a result of the Court of Appeal ruling, there is uncertainty regarding the Company's future legal rights to have the Zharkamys Contract extended and the related exploration and evaluation assets were derecognized.

The Company has referred the case to the Supreme Court of Kazakhstan ("Supreme Court"), the country's highest legal body and the hearing is scheduled to commence on November 29, 2017. A positive ruling by the Supreme Court to uphold the Civil Court force majeure ruling would likely allow the Company to apply to the Ministry for the 630 day extension of Zharkamys Contract. Conversely, a decision by the Supreme Court to uphold the findings of the Court of Appeal would likely result in the Zharkamys Contract reverting back to the Ministry. The on-going court proceedings do not affect the Company's production rights for the Shoba and Taskuduk oilfields which are each governed by separate production contracts.

Credit Facility

During the first quarter of 2017 the Company established and received funds from a USD 10.0 million secured non-revolving credit facility which bears interest at 14% and matures on January 31, 2020 ("Credit Facility"). Interest for the first year of the Credit Facility is due on January 31, 2018 followed by eight payments of USD 1.25 million of principal plus interest due quarterly in arrears commencing March 31, 2018. Condor also issued to the lender a warrant certificate exercisable into one million common shares of Condor at \$2.35 per share on or before January 31, 2020. The loan proceeds are available to fund capital expenditures related to drilling, infrastructure and workovers at Poyraz Ridge and for general corporate purposes.

SELECTED FINANCIAL INFORMATION

For the three months ended September 30

(\$000's except per share amounts)	2017	2016
Crude oil sales	1,701	72
Net loss	(2,531)	(1,650)
Net loss per share (basic and diluted)	(0.06)	(0.04)
Capital expenditures	2,771	6,614

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For the nine months ended September 30

(\$000's except per share amounts)	2017	2016
Crude oil sales	4,053	329
Net loss	(66,543)	(8,710)
Net loss per share (basic and diluted)	(1.54)	(0.21)
Capital expenditures	17,334	9,297
Acquisitions	-	9,197

RESULTS OF OPERATIONS

Crude oil sales and operating netback

For the three months ended September 30

(\$000's except sales volume and per barrel amounts)	2017	2016
Crude oil sales	1,701	72
Production costs	(505)	(39)
Royalty expense	(39)	(2)
Transportation and selling expense	(214)	-
Operating netback	943	31
Sales volume (barrels)	47,655	3,602
Operating netback per barrel (\$)	19.79	8.61

For the nine months ended September 30

(\$000's except sales volume and per barrel amounts)	2017	2016
Crude oil sales	4,053	329
Production costs	(1,284)	(132)
Royalty expense	(100)	(9)
Transportation and selling expense	(431)	-
Operating netback	2,238	188
Sales volume (barrels)	121,154	16,293
Operating netback per barrel (\$)	18.47	11.54

(1) Operating netback is a non-GAAP measure and is a term with no standardized meaning as prescribed by GAAP and may not be comparable with similar measures presented by other issuers. See non-GAAP financial measures. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.

Revenue from crude oil sales in Kazakhstan increased to \$1.7 million on 47,655 barrels of oil or \$35.70 per barrel for the three months ended September 30, 2017 compared to \$0.07 million on 3,602 barrels of oil or \$19.88 per barrel for the same period in 2016. For the nine months ended September 30, 2017, revenue increased to \$4.1 million on 121,154 barrels of oil or \$33.46 per barrel versus \$0.3 million on 16,293 barrels of oil or \$20.17 per barrel for the same period in 2016. Operating netback averaged \$19.79 per barrel in the third quarter of 2017 (2016: \$8.61) and \$18.47 per barrel for 2017 to date (2016: \$11.54).

Total revenue increased in both periods due to increased production and sales volumes as there was no production in 2016 until mid-September when production resumed at Shoba following the signing of the Shoba production contract. Revenue also increased due to higher operating netbacks per barrel as domestic crude oil prices have strengthened in 2017 and were only beginning to recover during the third quarter of 2016 from the low prices realized in 2015 caused by a combination of low world crude oil prices, constraints in local refining capacity and an oversupply of refined crude oil and crude oil products. In addition, the delivery point for crude oil sales was at the Company's facilities in the Shoba and Taskuduk oilfields but commencing in May 2017, the Company has delivered crude oil by truck to nearby refineries and recognized a higher sales price and the related transportation and selling expense. For the

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three months ended September 30, 2017, the transportation and selling expense amounted to \$0.2 million or \$4.48 per barrel (2016: nil).

Marketing

All crude oil sales in Kazakhstan to date have been in the domestic market at prevailing local prices. The Government of Kazakhstan does not set a domestic price for crude oil and there is no industry accepted reference price. The domestic price is influenced by market factors and industry conditions and while it usually trends similar to world oil prices (e.g. Brent or Urals Med), there is no set differential. The domestic prices are denominated and settled in Tenge, the local currency.

The Company has not sold any gas in Turkey to date. There are no domestic obligations per the Company's operating licenses in Turkey, but the Turkish Petroleum Law requires 65% of production from onshore producers be sold to domestic markets. All gas sales in the near term are expected to be domestic sales at domestic prices which are denominated and settled in Turkish Lira. Turkish gas prices are set and published monthly by the state owned pipeline transportation company BOTAŞ. The benchmark for the Company's gas sales will be the BOTAŞ Level 2 wholesale tariff.

Production

The Shoba and Taskuduk oilfields in Kazakhstan produced 42,059 barrels of oil or an average of 457 bopd for the three months ended September 30, 2017 and 111,806 barrels of oil or an average of 410 bopd for the nine months ended September 30, 2017. For the three and nine months ended September 30, 2016 the Company produced 5,903 barrels of oil or an average of 64 bopd. Production increased as there was no production in 2016 until mid-September when production resumed at Shoba following the signing of the Shoba production contract.

Production costs

Production costs decreased on a per barrel basis to \$10.59 per barrel for the three months and \$10.60 per barrel for the nine months ended September 30, 2017 from \$22.36 per barrel for the three and nine months ended September 30, 2016. In line with the production volume increases discussed above, total production costs increased to \$0.5 million for the three months and \$1.3 million for the nine months ended September 30, 2017 from \$0.1 million for the three and nine months ended September 30, 2016. Production costs are comprised mainly of salaries and wages, fuel for generators, heavy equipment and camp and related maintenance costs.

General and administrative expenses

General and administrative expenses increased to \$6.3 million for the nine months ended September 30, 2017 from \$6.0 million for the same period in 2016, due primarily to a one-time charge of \$0.3 million for Turkish stamp taxes on the signing of a gas sales agreement in the first quarter of 2017. The Company continues to utilize existing staff and resources to minimize cost increases related to the acquisition of the Turkish properties in March of 2016.

Depletion and depreciation

For the nine months ended September 30, 2017, depletion and depreciation expense increased to \$2.1 million from \$0.3 million for the same period in 2016 due mainly to the increased volume of oil sales in Kazakhstan.

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Stock based compensation

Stock based compensation expense increased to \$0.5 million for the nine months ended September 30, 2017 from \$0.4 million for the same period in 2016. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income, expense and accretion expense

For the nine months ended September 30, 2017, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to \$0.64 million compared to \$0.58 million in the previous period.

Finance expense increased to \$2.3 million for the nine months ended September 30, 2017 from \$0.5 million for the same period in 2016 mainly due to the interest on the Credit Facility secured in the first quarter of 2017. Finance expense includes interest on long term borrowings, amortization of loan issuance costs, amortization of the warrants, the impact of initial VAT receivables discounting and accretion expense on historical cost obligations and decommissioning provisions.

Foreign exchange loss amounted to \$0.1 million in the nine months ended September 30, 2017 compared to \$2.5 million for the same period in 2016 due to the foreign exchange movements of USD denominated current assets, mainly cash and cash equivalents as well short-term and long term portions of the USD denominated borrowings.

Deferred tax recovery

Deferred tax expense (recovery) amounted to nil for the nine months ended September 30, 2017 compared to a recovery of \$1.8 million in the same period of 2016. Movements in deferred tax liabilities and related expense (recovery) arise mainly due to foreign currency translation adjustments on Condor's USD denominated intercompany loans to foreign subsidiaries and foreign exchange differences on USD cash held.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2017, Poyraz Ridge development activities in Turkey were almost complete and remaining capital expenditures estimated at \$2.0 million related to the gas processing facilities and pipeline. There are no contractual work commitments at Poyraz Ridge.

There are no significant capital expenditures planned for the Kazakhstan properties in the next twelve months although work commitments include \$0.6 million at Taskuduk. Any work program shortfalls at Shoba and Taskuduk are not subject to penalties, and punitive actions including the suspension or revocation of the respective contract only apply in cases where financial work commitment fulfilment is less than thirty percent for two consecutive years.

As at September 30, 2017 the Company has \$3.7 million of working capital, including cash and cash equivalents of \$7.2 million, and expects positive cash flow from crude oil sales in Kazakhstan and, upon completion of the Poyraz Ridge project, positive cash flow from gas sales in Turkey. The Company believes it has sufficient capital to fund the planned capital and operating activities for at least the next twelve months. Any potential shortfalls may be required to be funded through various debt and equity instruments, asset portfolio management and other available corporate and financial opportunities.

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COMMITMENTS AND CONTINGENT LIABILITIES

The Company's contractual work commitments as at September 30, 2017 are as follows:

(\$000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Shoba	12	8,253	2,144	2,603	13,012
Taskuduk	632	368	55	133	1,188

The Company has contractual work commitments pursuant to the Shoba and Taskuduk production contracts in Kazakhstan. These work commitments may be amended from time to time in accordance with planned development activities proposed by the Company and approved by the Government of Kazakhstan and additional amounts could be significant. Non-fulfilment of work commitments for Shoba or Taskuduk could result in punitive actions including the suspension or revocation of the respective contract in case financial work commitment fulfilment is less than thirty percent for two consecutive years. Financial work commitment shortfalls for development activities at Shoba and Taskuduk are not subject to penalties while shortfalls on the training, social development and scientific research components may be subject to penalties of 1% of the shortfall.

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkey.

Other contractual obligations

The Company's other contractual obligations as at September 30, 2017 are as follows:

(\$000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Accounts payable and accrued liabilities	2,052	-	-	-	2,052
Non-cancellable operating leases	474	555	31	-	1,060
Other long term liabilities (undiscounted)	472	944	944	1,877	4,237

Other long term liabilities are amounts to be reimbursed to the Government of Kazakhstan for historical costs and include expenditures for drilling, seismic and other geological and geophysical works.

QUARTERLY INFORMATION

The following table sets forth selected unaudited financial information of the Company for the eight most recently completed quarters to September 30, 2017:

For the quarter ended (\$000's except per share amounts)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Crude oil sales ⁽¹⁾	1,701	1,405	947	1,203	72	257	-	-
Net income (loss) ⁽²⁾	(2,531)	(4,105)	(59,907)	(3,183)	(1,650)	(2,994)	(4,065)	585
Net income (loss) per share (basic and diluted)	(0.06)	(0.10)	(1.38)	(0.07)	(0.04)	(0.06)	(0.12)	0.02

(1) Prior to Q4 2016, production and sale volumes were constrained and inconsistent due to certain trial production and exploration period limitations, low prices for Kazakhstan domestic crude oil and refined crude oil products and delays experienced in executing the Shoba and Taskuduk production contracts.

(2) Net income (loss) in all periods has been impacted by, among other things, production and sales issues discussed in (1) above, general and administrative costs, stock based compensation expense and foreign

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exchange gains and losses in the respective periods. The Q1 2017 net loss includes a \$56.6 million exploration and evaluation expense related to the Zharkamys Contract derecognition.

OUTSTANDING SHARE DATA

Common shares

As at September 30, 2017 and the date of this MD&A there were 43,265,100 common shares outstanding.

Convertible securities

As at September 30, 2017 and the date of this MD&A, outstanding convertible securities are comprised of 3,077,334 stock options with a weighted average exercise price of \$2.31 and a warrant certificate exercisable into one million common shares of Condor at \$2.35 per share on or before January 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at September 30, 2017.

CRITICAL ACCOUNTING ESTIMATES

The timely preparation of financial statements requires management to make use of judgments, estimates and assumptions when transactions affecting the current accounting period cannot be finalized until future periods. These estimates will affect assets, liabilities and the disclosure of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. Such estimates are based on informed judgments made by management. Actual results could differ from those estimates as future confirming events occur. Significant assumptions and estimates about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to the carrying amount of assets and liabilities, in the event that actual results differ from assumptions made, are outlined below.

- Business combinations: the Company uses the acquisition method to account for business combinations. Assets acquired and liabilities assumed in a business combination are recorded at fair value at the time of acquisition. The determination of fair value requires the Company to make estimates, assumptions and judgments that are subject to measurement uncertainty. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities, including the fair value of property, plant and equipment, other long term assets and provisions. Consequently, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings, due to the impact on future depreciation and depletion expense as well as impairment tests;
- Impairment testing: estimates include volumes of recoverable reserves and resources, future commodity prices, future operating and capital costs, production profiles, discount rates, and consequently fair values of properties. A downward revision in the reserve or resource estimates or future forecast prices or an upward revision to future capital costs could result in an asset impairment which would reduce future earnings and the associated net book value of assets;
- Other long term assets and liabilities: estimates include the timing and amounts of future receipts and payments, discount rates and related cash flows. A change in the timing of cash flows or discount rates may impact earnings as a result of changes in finance income and expense;
- Depletion: estimates include the amount of reserve volumes and future development capital. A downward revision in the reserve or resource estimates or an upward revision to future capital may result in increased depletion and a reduction in net book value of assets if such a revision

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results in an accounting impairment. Depletion is charged on a unit-of-production basis over the Proved and Probable reserves for each cash generating unit and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;

- Decommissioning provisions: estimates include the amount and expected timing of asset retirements, discount and inflation rates and future cash flows. As a result of the long term nature of the Company's operations, these estimates may change over time which may result in a change in the decommissioning provision and corresponding asset value, and impact future earnings as a result of changes in accretion and depletion expense;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives, forfeiture rates and risk free rates;
- Warrants: estimates include determining appropriate share price volatility and risk free rates; and
- Deferred income tax: determining likelihood of income tax assets being realized requires estimates of future taxable income. Changes in the estimate of future taxable income and the recovery of deductible temporary differences may result in the recognition of a deferred tax asset on the statement of financial position and an increase in earnings at the time when the tax recovery is charged.

NEW ACCOUNTING PRONOUNCEMENTS

- On January 13, 2016, the IASB issued IFRS 16, "Leases" ("IFRS 16"), which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements, and may continue to be treated as operating leases. Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue, and what assets would be recorded. IFRS 16 is effective for years beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 "Revenue From Contracts With Customers" has been adopted. The standard may be applied retrospectively or using a modified retrospective approach.
- On July 24, 2014, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9") to replace International Accounting Standard 39, "Financial Instruments: Recognition and Measurement." IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in OCI rather than net earnings, unless this creates an accounting mismatch. In addition, a new expected credit loss model for calculating impairment on financial assets replaces the incurred loss impairment model used in IAS 39. The new model will result in more timely recognition of expected credit losses. IFRS 9 is effective for years beginning on or after January 1, 2018.
- On May 28, 2014, the IASB published IFRS 15, "Revenue From Contracts With Customers" ("IFRS 15") replacing IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to

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the purchaser. Disclosure requirements have also been expanded. The new standard is effective for annual periods beginning on or after January 1, 2018. The standard may be applied retrospectively or using a modified retrospective approach.

Early adoption of these standards is permitted and the Company is currently evaluating the impact of these new standards on the financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer (CEO) and Vice President, Finance and Chief Financial Officer (CFO) have designed, or caused to be designed under their supervision, disclosure controls and procedures (DC&P) and internal controls over financial reporting ("ICFR") as defined in National Instrument 52-109, "Certification of Disclosure in Issuer's Annual and Interim Filings", in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

During the three and nine months ended September 30, 2017, there have been no changes to the Company's ICFR that have materially, or are reasonably likely to materially affect the ICFR. Because of their inherent limitations, DC&P and ICFR may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control systems are met.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements under applicable securities legislation. Such statements are generally identifiable by the terminology used, such as "anticipate", "appear", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook", "scheduled", "may", "will", "should", "could", "would", "in the process of" or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, information concerning: initial production rates and the expected timing thereof; the timing and ability to commission the Poyraz Ridge facility and pipeline and obtain the customary government approvals to commence production; the ability of the drilled wells to become producing wells; projections and timing with respect to crude oil and gas production; expected markets and prices for future oil and gas sales; the timing and ability to obtain various approvals for the Company's exploration and development activities; the timing and ability to access oil and gas pipelines and oil and gas domestic and export sales markets; anticipated capital expenditures and cash flows; sources and availability of financing for potential budgeting shortfalls; the timing and ability to obtain future funding on favourable terms; general business strategies and objectives; possible outcomes regarding the Zharkamys Contract including the possibility that the term may be extended or, conversely, that it may revert back to the Ministry; the timing and ability to obtain exploration and production contract extensions; the potential for additional contractual work commitments; the ability to meet and fund the contractual work commitments; the satisfaction of the work commitments; the results of non-fulfillment of work commitments; the expectations related to future general and administrative and other expenses; projections relating to the adequacy of the Company's provision for taxes; the timing and ability to collect VAT; expected rates of return; and treatment under governmental regulatory regimes and tax laws.

By its very nature, such forward-looking information requires Condor to make assumptions that may not materialize or that may not be accurate. Forward-looking information is subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such information. Such risks and uncertainties include, but are not limited to: regulatory changes; the timing of regulatory approvals; the risk that actual minimum work programs will exceed the initially estimated amounts; the results of exploration

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and development drilling and related activities; imprecision of reserves and resources estimates and ultimate recovery of reserves; historical production and testing rates may not be indicative of future production rates, capabilities or ultimate recovery; the historical composition and quality of oil and gas may not be indicative of future composition and quality; general economic, market and business conditions; industry capacity; uncertainty related to marketing and transportation; competitive action by other companies; fluctuations in oil and natural gas prices; the effects of weather and climate conditions; fluctuation in interest rates and foreign currency exchange rates; the ability of suppliers to meet commitments; actions by governmental authorities, including increases in taxes; decisions or approvals of administrative tribunals and the possibility that government policies or laws may change or government approvals may be delayed or withheld; changes in environmental and other regulations; risks associated with oil and gas operations, both domestic and international; international political events; and other factors, many of which are beyond the control of Condor. Capital expenditures may be affected by cost pressures associated with new capital projects, including labour and material supply, project management, drilling rig rates and availability, and seismic costs.

These risk factors are discussed in greater detail in filings made by Condor with Canadian securities regulatory authorities including the Company's Annual Information Form, which may be accessed through the SEDAR website (www.sedar.com).

Readers are cautioned that the foregoing list of important factors affecting forward-looking information is not exhaustive. The forward-looking information contained in this MD&A are made as of the date of this MD&A and, except as required by applicable law, Condor does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

ABBREVIATIONS

The following is a summary of abbreviations used in this MD&A:

bopd	Barrels of oil per day
MM	Million
scf	Standard cubic feet
USD	United States dollars
%	Percent
/	Per
"	Inch