Management's Discussion and Analysis
For the three and nine months ended September 30, 2018
Dated November 14, 2018

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, 2018 and 2017 (the "Interim Financial Statements"), and the audited consolidated financial statements for the years ended December 31, 2017 and 2016 (the "Annual Financial Statements" and together with the Interim Financial Statements, 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, 2018, the date the Condor Board of Directors approved the Interim Financial Statements and MD&A.

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 sales less royalties, production costs and transportation and selling on a dollar basis and divided by the sales volume for the period on a per barrel of oil equivalent basis. The reconciliation of this non-GAAP measure is presented in the "Sales and operating netback" section of this MD&A. 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 to analyze the Company's sales on a per barrel of oil equivalent basis and ability to generate funds.

OVERALL PERFORMANCE

Highlights

- Achieved an average production of 995 boepd for the three months ended September 30, 2018 and 1,187 boepd for the nine months ended September 30, 2018, representing a 118% and 190% increase from the same respective periods in 2017. Production during the fourth quarter of 2018 to date has increased to an average of 1,086 boepd due mainly to the production from the recently drilled Sh-12 well in Kazakhstan.

- Realized crude oil and natural gas sales of $3.4 million for the three months ended September 30, 2018 and $13.2 million for the nine months ended September 30, 2018 represents a 103% and 226% increase from the same respective periods in 2017.
- Realized a robust operating netback[1] of $8.9 million or $27.99 per boe, representing a 296% increase from $2.2 million and a 52% increase from $18.47 per barrel respectively for the nine months ended September 30, 2017.
- Generated cash from operating activities of $6.1 million or $0.14 per basic share during the nine months ended September 30, 2018 versus cash used in operating activities of $6.2 million or $0.14 per basic share during the same period in 2017.
- During the second half of 2018 to date, two new horizontal wells were drilled at Shoba and two well workovers performed at Taskuduk.
- During the second half of 2018 to date, the PW-6 well was completed and two workovers were performed at Poyraz Ridge.
- The Ministry of Energy of the Government of Kazakhstan ("Ministry") did not appeal the Kazakhstan court rulings that confirmed a force majeure event had occurred related to the Company's Zharkamys exploration contract ("Zharkamys Contract"). The Company has submitted an extension application to the Ministry and expects the exploration period to the Zharkamys Contract will be extended by 630 days commencing in 2019.
- In 2018 the reference natural gas sales price in Turkey set by BOTAŞ, the state owned pipeline transportation company, has been increased five separate times resulting in an overall increase of 92% in Turkish Lira ("TRL"). Despite the recent TRL devaluation, using prevailing TRL/CAD exchange rates, the natural gas sales price in CAD terms has increased 42% to $9.37 per Mscf as of mid-November 2018 (4.0843 TRL/CAD) from $6.60 per Mscf as of December 31, 2017 (3.0211 TRL/CAD).
- The Company recorded a net loss of $4.5 million before and after tax for the three months ended September 30, 2018 (2017: net loss before and after tax of $2.5 million) which includes a $3.2 million foreign exchange loss.
- Certain terms of the Company's existing secured non-revolving credit facility were amended with the single arm's length lender, allowing for near term production and cash flow growth by executing the aforementioned drilling and workover programs.

Operations

The Company produces crude oil in Kazakhstan and natural gas and associated condensate in Turkey. Overall production for the three months ended September 30, 2018 increased 118% to 91,560 barrels of oil equivalent or an average of 995 boepd from 42,059 barrels of oil or an average of 457 bopd for the same period in 2017 and also increased 190% for the nine months ended September 30, 2018 to 323,885 barrels of oil equivalent or an average of 1,187 boepd from 111,806 barrels of oil or an average of 410 bopd for the same period in 2017. The production increases in 2018 are due mainly to the commencement of natural gas production in Turkey in December of 2017. Further increases are expected due to the infill drilling and workover programs in Kazakhstan.

The Company produced 31,600 barrels of oil or an average of 343 bopd and realized an operating netback[1] of $26.11 per barrel in Kazakhstan for the third quarter of 2018 (third quarter of 2017: produced 42,059 barrels or an average of 457 bopd and an operating netback[1] of $19.79 per barrel). For the nine months ended September 30, 2018 the Company produced 104,778 barrels of oil or an average of 384 bopd with an operating netback[1] of $24.24 per barrel in Kazakhstan (nine months ended September 30, 2017: produced 111,806 barrels or an average of 410 bopd and an operating netback[1] of $18.47 per barrel).

Two horizontal wells were drilled and completed in Kazakhstan during the second half of 2018. A 493 meter lateral section was drilled on Sh-12 which has produced an average of 150 bopd to date. A 502 meter lateral section was drilled on Sh-15. It is believed Sh-15 intersected a fault that is in communication with the field's oil-water contact thereby producing mostly water. A Sh-15 recompletion is planned for the fourth quarter of 2018 to isolate the fracture interval and increase production rates. A two well workover program has recently been completed to replace downhole pumps on TasW-3 and TasW-4 and production is expected to resume shortly. The Company's capital program for 2019 includes drilling up to three additional horizontal wells at Shoba.

The Company produced 59,960 boe in Turkey or an average of 652 boepd and received an operating netback[1] of $25.22 per boe for the three months ended September 30, 2018 (three months ended September 30, 2017: no gas production or sales) and 219,107 boe in Turkey or an average of 803 boepd and received an operating netback[1] of $29.87 per boe for the nine months ended September 30, 2018 (nine months ended September 30, 2017: no gas production or sales).

A workover program is being developed and executed which focuses on completing additional pay sections and stimulation options to realize commercial gas flow rates for the lower permeability reservoirs. The PW-6 infill well was completed in the third quarter of 2018 and initially had negligible pressure and flow response. However, the well has started flowing intermittently after adding perforations and performing a fluid treatment. Data is being gathered that should provide further diagnosis and remediation options. An additional zone was also perforated on PW-5, a 2017 exploration well that targeted the footwall compartment lying to the north of the Poyraz Ridge field. Although PW-5 did not flow when tested in 2017, the newly perforated interval has started flowing intermittently. Data is being gathered at PW-5 which may identify further remediation options for this well and field development opportunities for this region. The Company's capital program for 2019 includes drilling one development well at Poyraz Ridge.

Cash from operating activities increased to $6.1 million for the nine months ended September 30, 2018 versus cash used in operating activities of $6.2 million for the same period in 2017. Cash from operating activities before changes in non-cash working capital increased to $4.4 million for the nine months ended September 30, 2018 versus cash used in operating activities before changes in non-cash working capital of $4.9 million for the same period in 2017.

Zharkamys Contract

The Company's Zharkamys Contract 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, ruled that the force majeure event was not recognized and reversed the decision of the Civil Court. The Company referred the case to the Kazakhstan Supreme Court ("Supreme Court") and in November 2017 the Supreme Court ruling overturned both the Civil Court and the Court of Appeal rulings and referred the case back to the Civil Court for further review by a new panel of judges. In March 2018 the Civil Court ruling confirmed that the force majeure event had occurred. In April 2018 the Ministry appealed the Civil Court ruling and in May 2018 the Court of Appeal upheld the Civil Court ruling that the force majeure event had occurred. Since the May 2018 ruling, the Ministry has not filed an appeal to the Supreme Court within the six month timeframe allotted by Kazakhstan law. The Company has submitted an extension application to the Ministry and expects the exploration period to the Zharkamys Contract will be extended by 630 days commencing in 2019.

SELECTED FINANCIAL INFORMATION

For the three months ended September 30

($000's except per share amounts)	**2018**	**2017**
Sales	3,449	1,701
Cash from (used in) operating activities	2,298	(1,514)
Cash from (used in) operating activities per share (basic and diluted)	0.05	(0.04)
Net loss	(4,517)	(2,531)
Net loss per share (basic and diluted)	(0.10)	(0.06)
Capital expenditures	2,648	2,771

For the nine months ended September 30

($000's except per share amounts)	**2018**	**2017**
Sales	13,204	4,053
Cash from (used in) operating activities	6,079	(6,193)
Cash from (used in) operating activities per share (basic and diluted)	0.14	(0.14)
Net loss	(10,534)	(66,543)
Net loss per share (basic and diluted)	(0.24)	(1.54)
Capital expenditures	4,405	17,334

RESULTS OF OPERATIONS

Sales and operating netback[1]

For the three months ended September 30

	2018				2017
	Oil ($000's)	Gas ($000's)	Condensate ($000's)	Total ($000's)	Oil ($000's)
Sales	1,283	2,166	-	3,449	1,701
Royalties	(22)	(262)	-	(284)	(39)
Production costs	(398)	(368)	-	(766)	(505)
Transportation and selling	(22)	(102)	-	(124)	(214)
Operating netback[1]	841	1,434	-	2,275	943
	Oil ($/bbl)	**Gas ($/boe)**	**Condensate ($/bbl)**	**Total ($/boe)**	**Oil ($/bbl)**
Sales	39.87	38.09	-	38.73	35.70
Royalties	(0.69)	(4.61)	-	(3.19)	(0.84)
Production costs	(12.37)	(6.48)	-	(8.61)	(10.59)
Transportation and selling	(0.70)	(1.78)	-	(1.39)	(4.48)
Operating netback[1]	26.11	25.22	-	25.54	19.79
Sales volume (boe)	32,174	56,860	-	89,034	47,655

For the nine months ended September 30

	2018				2017
	Oil ($000's)	Gas ($000's)	Condensate ($000's)	Total ($000's)	Oil ($000's)
Sales	4,223	8,716	265	13,204	4,053
Royalties	(76)	(1,049)	(32)	(1,157)	(100)
Production costs	(1,162)	(1,183)	(12)	(2,357)	(1,284)
Transportation and selling	(422)	(351)	(62)	(835)	(431)
Operating netback[1]	2,563	6,133	159	8,855	2,238
	Oil ($/bbl)	**Gas ($/boe)**	**Condensate ($/bbl)**	**Total ($/boe)**	**Oil ($/bbl)**
Sales	39.94	41.90	102.61	41.74	33.46
Royalties	(0.72)	(5.05)	(12.31)	(3.66)	(0.83)
Production costs	(10.99)	(5.69)	(4.80)	(7.45)	(10.60)
Transportation and selling	(3.99)	(1.68)	(24.10)	(2.64)	(3.56)
Operating netback[1]	24.24	29.48	61.40	27.99	18.47
Sales volume (boe)	105,747	208,022	2,581	316,350	121,154

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" in this MD&A. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.

Sales increased to $3.4 million on 89,034 barrels of oil equivalent or $38.73 per barrel of oil equivalent for the three months ended September 30, 2018 (2017: $1.7 million on 47,655 barrels of oil or $35.70 per barrel) and $13.2 million on 316,350 barrels of oil equivalent or $41.74 per barrel of oil equivalent for the nine months ended September 30, 2018 compared to $4.1 million on 121,154 barrels of oil or $33.46 per barrel.

Operating netbacks[1] remain robust due to strong natural gas prices in Turkey and increased crude oil prices in Kazakhstan and increased to an average of $25.54 per barrel of oil equivalent in the three months ended September 30, 2018 (2017: $19.79) and $27.99 per barrel of oil equivalent in the nine months ended September 30, 2018 (2017: $18.47).

Overall sales increased in the three and nine months ended September 30, 2018 versus the same periods in 2017 due mainly to the commencement of natural gas production in Turkey in December 2017, strong realized gas prices during 2018, higher crude oil sales prices per barrel in Kazakhstan and the commencement of condensate sales associated with natural gas production in Turkey in the second quarter of 2018.

Marketing

Crude oil sales in Kazakhstan to date have been in the domestic market at prevailing local prices. The crude oil is either sold at the wellhead or trucked to near-by refineries. 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.

Natural gas sales in Turkey are domestic sales via pipeline at prices set and published monthly by the state owned pipeline transportation company BOTAŞ. The benchmark for gas sales are BOTAŞ Level 2 wholesale tariff less a marketing differential.

Gas from the neighbouring Destan discovery is currently being compressed and trucked to the Poyraz Ridge facilities and being marketed with the Poyraz Ridge production. The intent is to determine Destan discovery reservoir performance and future development potential before undertaking any capital commitments.

Along with natural gas the Company produces small amounts of associated condensate in Turkey. The condensate is trucked to a near-by facility for blending, storage and onward sales. The pricing for condensate sales is based on the nearest accessible global free market and determined by a formula provided for under the Petroleum Market Law and published monthly in Turkish Lira by TPAO, the Turkish national oil company.

Royalties

Royalties increased to $0.3 million for the three months ended September 30, 2018 from $0.03 million for the same period in 2017 and $1.2 million for the nine months ended September 30, 2018 from $0.1 million for the same period in 2017 due mainly to the commencement of gas production and sales in Turkey in late 2017. The Company is subject to progressive royalty rates in Kazakhstan amounting to 2.5% in 2018 (2017: 2.5%) on crude oil and a flat royalty rate in Turkey of 12.5% on natural gas and condensate.

Production

For the three months ended September 30	2018	2017	Change	Change %
Crude oil (bbl)	31,600	42,059	(10,459)	(25%)
Natural gas (Mcf)	352,271	-	352,271	-
Natural gas (boe)	58,712	-	58,712	-
Condensate (bbl)	1,248	-	1,248	-
Total production volume (boe)	91,560	42,059	49,501	118%
Crude oil (bopd)	343	457	(114)	(25%)
Natural gas (Mcfpd)	3,829	-	3,829	-
Natural gas (boepd)	638	-	638	-
Condensate (bopd)	14	-	14	-
Average daily production (boepd)	995	457	538	118%

For the nine months ended September 30	2018	2017	Change	Change %
Crude oil (bbl)	104,778	111,806	(7,028)	(6%)
Natural gas (Mcf)	1,287,269	-	1,287,269	-
Natural gas (boe)	214,545	-	214,545	-
Condensate (bbl)	4,562	-	4,562	-
Total production volume (boe)	323,885	111,806	212,079	190%
Crude oil (bopd)	384	410	(26)	(6%)
Natural gas (Mcfpd)	4,715	-	4,715	-
Natural gas (boepd)	786	-	786	-
Condensate (bopd)	17	-	17	-
Average daily production (boepd)	1,187	410	777	190%

The Company produces crude oil in Kazakhstan and natural gas and associated condensate in Turkey. Overall production for the three months ended September 30, 2018 increased 118% to 91,560 barrels of oil equivalent or an average of 995 boepd from 42,059 barrels or an average of 457 bopd in 2017 and for the nine months ended September 30, 2018 increased 190% to 323,885 barrels of oil equivalent or an average of 1,187 boepd from 111,806 barrels or an average of 410 bopd in 2017. Although oil production in Kazakhstan decreased 6% in the nine months ended September 30, 2018 compared to the same period in 2017, overall production increased mainly due to the commencement of natural gas production in Turkey in December of 2017.

Production costs

Overall production costs decreased to $8.61 per boe for the three months and to $7.45 per boe for the nine months ended September 30, 2018 from $10.59 per boe for the three months and $10.60 per boe for the nine months ended September 30, 2017. Costs decreased due mainly to natural gas sales which commenced in December 2017 in Turkey for which production costs were $6.48 per boe for the third quarter and $5.69 per boe year to date in 2018 while production costs in Kazakhstan have remained about the same on a per barrel basis at $10.99 for the nine months ended September 30, 2018 compared to $10.60 for the same period in 2017.

In line with increased sales volumes, overall production costs increased to $0.8 million for the three months ended September 30, 2018 from $0.5 million for the same period in 2017 and $2.4 million for the nine months ended September 30, 2018 from $1.3 million for the same period in 2017. Production costs are comprised mainly of personnel, fuel, heavy equipment, water disposal, chemicals, safety and maintenance costs.

Transportation and selling expense

The Company recognized transportation and selling expense of $0.1 million and $0.8 million for the three and nine months ended September 30, 2018 respectively or $1.39 per boe and $2.64 per boe, compared to $0.2 million or $4.48 per boe for the three months ended September 30, 2017 and $0.4 million or $3.56 per boe for the nine months ended September 30, 2017. In Kazakhstan, the Company had wellhead sales for crude oil sold from January through April 2017, delivered oil by truck to nearby refineries for sales from May 2017 through June 2018 and wellhead sales for sales in early July through September 2018. The wellhead sales have no associated transportation costs as the buyer is responsible for trucking logistics and costs. The Company also incurs pipeline costs on all gas and a small amount of compressed natural gas trucking costs on Destan sales in Turkey amounting to $1.78 per boe for the three months and $1.68 per boe for the nine months ended September 30, 2018.

General and administrative expense

General and administrative expense is comprised mainly of personnel, professional services, office, and travel costs and decreased to $1.4 million for the three months ended September 30, 2018 from $1.8 million for the same period in 2017 and $4.8 million for the nine months ended September 30, 2018 from $6.3 million for the same period in 2017 due to key cost cutting measures and staff reductions.

Depletion and depreciation expense

Depletion and depreciation expense increased to $1.2 million for the three months ended September 30, 2018 from $0.8 million for the same period in 2017 and $4.6 million for the nine months ended September 30, 2018 from $2.1 million for the same period in 2017 due mainly to the increased volume of gas sales but decreased to $13.11 per boe in the three months ended September 30, 2018 from $17.02 per barrel in the three months ended September 30, 2017 and to $14.40 per boe in the nine months ended September 30, 2018 from $17.54 per barrel in the nine months ended September 30, 2017 due to the lower per boe cost of the depletion related to the Poyraz Ridge gas field in Turkey.

Stock based compensation expense

Stock based compensation expense decreased to $0.3 million for the nine months ended September 30, 2018 from $0.5 million for the same period in 2017. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income and expense

For the nine months ended September 30, 2018, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to $0.4 million compared to $0.6 million in the previous period.

Finance expense increased to $2.4 million for the nine months ended September 30, 2018 from $2.3 million for the same period in 2017 mainly due to the interest on the Credit Facility established in the first quarter of 2017. Finance expense includes interest on long term borrowings, amortization of loan issuance costs, amortization of warrants, loss on loan modification, the impact of initial VAT receivables discounting, accretion expense on historical cost obligations and accretion cost on decommissioning provisions.

Foreign currency exchange gains and losses

Foreign exchange loss amounted to $4.3 million in the nine months ended September 30, 2018 compared to $0.05 million for the same period in 2017 due mainly to the foreign exchange movements of a portion of USD denominated inter-company loans that are no longer considered part of the net investment in the foreign operations. The Company is exposed to significant foreign currency risk as the Company's crude oil and natural gas sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies including USD, KZT and TRL, and the Company's borrowings are denominated in USD. The Company had no forward exchange rate contracts in place at or during the nine months ended September 30, 2018 and 2017.

In Turkey, the TRL has experienced considerable volatility versus certain foreign currencies during 2018 and devalued 54% from 3.0211 TRL/CAD at December 31, 2017 to 4.6642 TRL/CAD at September 30, 2018 but recovered during the fourth quarter to 4.0843 TRL/CAD at mid-November 2018 which reduces the devaluation for 2018 to 35%. The impact of the TRL currency volatility on the Company has been minimized mainly due to increased Turkish gas prices during 2018 of 92% in TRL terms and 42% in CAD terms to $9.37 per Mscf as of mid-November 2018 (4.0843 TRL/CAD) from $6.60 per Mscf as of December 31, 2017 (3.0211 TRL/CAD). In addition, a significant portion of the Company's operating costs in Turkey are denominated in TRL.

Deferred income tax expense

Deferred income tax expense of $3.5 million for the three and nine months ended September 30, 2018 (three and nine months ended September 30, 2017: nil) relates to the derecognition of the deferred tax assets associated with deductible temporary differences on oil and gas properties and tax losses carried forward as the probability that future taxable amounts will be available to utilize those temporary differences and losses is uncertain.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkey. The Poyraz Ridge gas processing facilities and pipeline were substantially completed and commissioned in December 2017 and there are no significant future capital expenditures planned for the facilities at this time. Depending on the timing and amount of available capital including funds from operating activities, the Company may drill an additional well and conduct additional workovers at Poyraz Ridge in the next twelve months. There are no significant capital expenditures planned at Destan.

In Kazakhstan, the Company has contractual work commitments of $2.2 million for the next twelve months and depending on the timing and amount of available capital including funds from operating activities, the Company may drill additional wells at Shoba. Any capital commitment shortfalls in Kazakhstan are not subject to penalties while punitive actions including the suspension or revocation of the respective contract only apply in cases where work commitment fulfilment is less than thirty percent for two consecutive years.

The cash flows presented in the tables below differ from the amounts included in the statements of financial position as the amounts disclosed in the tables are the undiscounted contractual cash flows. The Company's contractual obligations as at September 30, 2018 are as follows:

(000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Accounts payable and accrued liabilities	4,219	-	-	-	4,219
Borrowings	3,866	7,645	-	-	11,511
Non-cancellable operating leases	360	201	-	-	561
Other long term liabilities (undiscounted)	478	956	956	1,446	3,836

The Company's contractual obligations as at December 31, 2017 are as follows:

(000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Accounts payable and accrued liabilities	2,608	-	-	-	2,608
Borrowings	9,403	6,819	-	-	16,222
Non-cancellable operating leases	460	442	-	-	902
Other long term liabilities (undiscounted)	481	962	962	1,802	4,207

At September 30, 2018 the Company had accumulated losses of $177.9 million since inception (December 31, 2017: $167.4 million), a working capital deficit of $2.3 million (December 31, 2017: deficit of $1.7 million) and reported a net loss for the nine months ended September 30, 2018 of $10.5 million (nine month ended September 30, 2017: $66.5 million). In addition, the Company's estimates of future cash flows from operating activities may not provide the necessary capital for repayment of the loan principal and interest as they become due.

The Company's access to sufficient capital will impact the ability to complete the current development plan which is aimed at increasing near term production and cash from operating activities and consists of completing the recently drilled wells, drilling up to three additional wells and performing two workovers in Kazakhstan along with completing the recently drilled well, drilling an additional well and performing several workovers in Turkey.

The Company's long term borrowings as of September 30, 2018 amount to USD 7.4 million and consist of a secured non-revolving credit facility with an arm's length lender ("Credit Facility"). On September 13, 2018 certain terms of the Credit Facility were amended and the six remaining quarterly payments of USD 1.25 million each were revised to nine quarterly principal payments consisting of three payments of USD 0.1 million, followed by three payments of USD 0.9 million and then three payments of USD 1.5 million. The first principal payment of USD 0.1 million plus interest was due and paid September 30, 2018 and the final principal payment plus interest is due September 30, 2020.

To date, the Company has made all scheduled repayments. The Credit Facility contains no financial covenants and the Company is in compliance with all non-financial covenants. The Credit Facility is secured by customary security including a general security agreement over all present and future assets of Condor and a movable assets pledge agreement establishing a first-ranking pledge over the commercial enterprise, any or all assets and any gas sales receivables of the Turkey Branch. If the Company is unable to make any scheduled repayment, after a short notice and cure period, the lender would be entitled to enforce the Credit Facility security.

The Company's ability to continue as a going concern is dependent upon the ability to fund operations and the repayment of existing borrowings by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements. There is no assurance that new financings, equity offerings or other arrangements can be completed on favourable terms, or at all. These conditions indicate a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

COMMITMENTS AND CONTINGENT LIABILITIES

The Company's contractual work commitments for the next 12 months pursuant to the Shoba and Taskuduk production contracts in Kazakhstan equals $2.2 million. 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.

There is a material uncertainty about the Company's ability to continue as a going concern (see "Liquidity, Capital Resources and Going Concern" in this MD&A).

OUTSTANDING SHARE DATA

Common shares

As at September 30, 2018 and the date of this MD&A there were 44,165,100 common shares outstanding.

Convertible securities

As at September 30, 2018 and the date of this MD&A, outstanding convertible securities are comprised of 4,236,000 stock options with a weighted average exercise price of $1.19 and one million warrants exercisable into one million common shares of Condor at $0.35 per share on or before December 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at September 30, 2018.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to September 30, 2018:

For the quarter ended	Q3 2018	Q2 2018	Q1 2018	Q4[(1)] 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sales (000's)	3,449	4,803	4,952	1,599	1,701	1,405	947	1,203
Net loss (000's)[(2)]	(4,517)	(5,214)	(803)	(125)	(2,531)	(4,105)	(59,907)	(3,183)
Net loss per share (basic and diluted)	(0.10)	(0.12)	(0.02)	(0.003)	(0.06)	(0.10)	(1.38)	(0.07)

1 Natural gas production and sales in Turkey commenced in mid-December 2017.

2 Net income (loss) in all periods has been impacted by, among other things, production and sales volumes and pricing, general and administrative costs, stock based compensation expense and foreign exchange gains and losses in the respective periods. The Q1 2017 net loss includes $56.6 million of exploration and evaluation expense related to the derecognition of the Zharkamys Contract assets.

CRITICAL ACCOUNTING ESTIMATES

The timely preparation of the interim consolidated financial statements in accordance with IFRS requires that management uses judgment and make estimates and assumptions regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the interim consolidated financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Further information on the Company's critical accounting estimates can be found in the notes to the Annual Financial Statements and annual MD&A for the year ended December 31, 2017. There have been no significant changes to the Company's critical accounting estimates as of September 30, 2018 other than going concern uncertainty.

Going concern

These financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business as they become due. At September 30, 2018 the Company had accumulated losses of $177.9 million since inception (December 31, 2017: $167.4 million), a working capital deficit of $2.3 million (December 31, 2017: deficit of $1.7 million) and reported a net loss for the nine months ended September 30, 2018 of $10.5 million (nine month ended September 30, 2017: $66.5 million). In addition, the Company's estimates of future cash flows from operating activities may not provide the necessary capital for repayment of the loan principal and interest as they become due.

The Company's ability to continue as a going concern is dependent upon the ability to fund the repayment of existing borrowings by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements. There is no assurance that new financings, equity offerings or other arrangements can be completed on favorable terms, or at all. These conditions indicate a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. This Interim Financial Statements and this MD&A do not reflect the adjustments to the carrying amounts of assets and liabilities, reported amounts of revenue and expenses, and statement of financial position classifications used that would be necessary were the going concern assumption deemed to be inappropriate. Such adjustments could be material.

The Company's current development plan is aimed at increasing near term production and cash from operating activities and consists of completing the recently drilled wells, drilling up to three additional wells and performing two workovers in Kazakhstan along with completing the recently drilled well, drilling an additional well and performing several workovers in Turkey. The Company has a working capital deficiency and therefore the completion of this development plan is dependent on the Company's ability to access sufficient capital to fund it. There is no assurance that the Company will be able to access the necessary capital to fund the development plan or that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

CHANGES IN ACCOUNTING POLICIES

The Company adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers effective 1 January 2018. The adoption of IFRS 9 and IFRS 15 did not have a material impact on the Interim Financial Statements. Further information about changes to the Company's accounting policies resulting from the adoption of IFRS 9 and IFRS 15 can be found in the Interim Financial Statements.

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. The Company is currently evaluating the impact of the new standard 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 nine months ended September 30, 2018, 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: the ability to continue as a going concern; the timing and ability to drill new wells and the ability of the drilled wells to become producing wells; projections and timing with respect to crude oil and natural gas production; expected markets, prices and operating netbacks for future oil and gas sales; the timing and ability to increase production and cash flow by executing the planned drilling and workover programs; the timing and ability to obtain various approvals and conduct the Company's planned 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; forecasted capital and operating budgets and cash flows; anticipated working capital; sources and availability of financing for potential budgeting shortfalls; the timing and ability to obtain future funding on favorable terms, if at all; 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 contract, production contract and operating license 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; projections relating to the adequacy of the Company's provision for taxes; the timing and ability to collect VAT; 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 and development drilling and related activities; imprecision of reserves 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 labor 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:

bbl	Barrels of oil
bopd	Barrels of oil per day
boe	Barrels of oil equivalent *
boepd	Barrels of oil equivalent per day
Mscf	Thousand standard cubic feet
Mscfpd	Thousand standard cubic feet per day
CAD	Canadian dollars
KZT	Kazakhstan tenge
TRL	Turkish lira
USD	United States dollars
/	Per

* Barrels of oil equivalent ("boe") are derived by converting gas to oil in the ratio of six thousand standard cubic feet ("Mscf") 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 Mscf to 1 barrel, utilizing a conversion ratio at 6 Mscf to 1 barrel may be misleading as an indication of value, particularly if used in isolation.