Management's Discussion and Analysis
For the three months ended March 31, 2018
Dated May 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 months ended March 31, 2018 and 2017, and the audited consolidated financial statements for the years ended December 31, 2017 and 2016 (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 May 14, 2018, 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 and natural gas sales less royalties, production costs and transportation and selling expense 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 crude oil and natural gas sales on a per barrel of oil equivalent basis and ability to generate funds.

OVERALL PERFORMANCE

Highlights

- Completed Poyraz Ridge gas facilities commissioning and initiated commercial gas production, yielding positive cash flow.
- Achieved an average production of 1,395 boepd, representing a 234% increase from the first quarter of 2017.
- Realized crude oil and natural gas sales of $5.0 million, representing a 423% increase from the first quarter of 2017.
- Realized an operating netback[1] of $3.4 million or $29.07 per boe, representing a 500% increase from $0.6 million and a 63% increase from $17.89 per barrel respectfully in the first quarter of 2017.

- Generated cash from operating activities of $2.1 million or $0.05 per basic share during the first quarter of 2018 versus cash used in operating activities of $2.2 million or $0.05 per basic share during the same period in 2017.
- In March 2018, a Kazakhstan Civil Court ruling confirmed and in May 2018 a Kazakhstan Court of Appeal ruling upheld that the force majeure event had occurred related to the Zharkamys Contract extension. Since the Court of Appeal ruling is enforceable under law, the Company is submitting a 630 day extension application to the Ministry of Energy of Kazakhstan. The Ministry of Energy has up to six months to appeal the case to the Supreme Court.
- On January 1, 2018 the reference natural gas sales price in Turkey set by BOTAŞ, the state owned pipeline transportation company, was increased by 14% to 800 TL per thousand cubic meter or $7.19 per Mscf at the exchange rate of 3.15 TL/CAD.
- On April 1, 2018 the reference natural gas sales price in Turkey set by BOTAŞ was increased by a further 10% to 877.6 TL per thousand cubic meter or $7.89 per Mscf at the exchange rate of 3.15 TL/CAD.
- The Company recorded a net loss of $0.8 million for the three months ended March 31, 2018 (2017: net loss of $59.9 million which includes $56.6 million of exploration and evaluation expense pertaining to the derecognition of the Zharkamys Contract assets).

Operations

The Company produces natural gas and condensate in Turkey and crude oil in Kazakhstan and overall production increased 234% to 125,567 boe or an average of 1,395 boepd for the three months ended March 31, 2018 from 37,648 boe or an average of 418 boepd in the three months ended March 31, 2017. The production increase is due to initiating commercial gas production at Poyraz Ridge.

For the three months ended March 31, 2018 the Company produced 85,741 boe in Turkey or an average of 953 boepd and received an operating netback of $31.56 per boe (three months ended March 31, 2017: no gas production or sales). The Company also produced 1,916 barrels of condensate which was held in inventory as at March 31, 2018. Poyraz Ridge gas plant uptime was 84% during the first quarter of 2018 due to start-up and de-bottlenecking activities.

During the past 30 days, gas production has averaged 708 boepd and gas plant uptime was 75%. Production has been impacted by numerous gas plant shut-downs which have been necessary to modify processing equipment and increase gas plant uptime. The existing wells are also experiencing natural production declines although still producing between 900 to 1000 boepd when consistently flowing. As per the original Poyraz Ridge development plan, an infill well program is planned for 2018 and 2019 to offset production declines. Seismic inversion processing of the Poyraz Ridge 3D data has been completed and calibrated with the existing well's initial production performance and reservoir parameters. This has identified a number of reservoir 'sweet spots' that contain multiple, stacked gas sands and higher fracture density and connectivity that will be targeted for the upcoming infill well drilling program.

Subsurface characterization continues on the Yakamoz sub-thrust fold prospect which is located 2 kilometers north of the Poyraz Ridge field and within the Company's Poyraz Ridge Operating License. Recent reprocessing of the original 2D seismic data has significantly improved both data quality and imaging of the structure and stratigraphy, which has been integrated into a revised geological model. Two separate locations have been identified up-dip from the Yakamoz 1 well, where numerous gas shows were encountered while drilling in 2017. The new locations target both the proven Miocene and Upper Eocene reservoirs, in addition to the deeper Middle to lower Eocene reservoirs, which have not been tested. A side-track of the Yakamoz 1 well drilled in 2017 into one of these up-dip targets is planned for

2018, subject to available funding. A successful Yakamoz 1 well would be tied into the existing Poyraz Ridge gas plant for processing and onward sales.

For the three months ended March 31, 2018 the Company produced 37,910 barrels in Kazakhstan (three months ended March 31, 2017: 37,648 barrels of oil) or an average of 421 bopd (three months ended March 31, 2017: 418 bopd) with an operating netback of $23.05 per barrel (three months ended March 31, 2017: $17.89 per barrel). The existing wells are performing as forecast and two additional horizontal wells are planned for 2018 to grow Kazakhstan oil production and cash flows. No development wells have been drilled since the commercial production contracts were issued in 2016.

The Company recorded a net loss of $0.8 million for the three months ended March 31, 2018 (2017: net loss of $59.9 million which includes $56.6 million of exploration and evaluation expense related to the derecognition of the Zharkamys Contract assets). Cash from operating activities increased to $2.1 million for the three months ended March 31, 2018 versus cash used in operating activities of $2.2 million for the same period in 2017. Cash from operating activities before changes in non-cash working capital increased to $1.8 million for the three months ended March 31, 2018 versus cash used in operating activities of $1.7 million for the same period in 2017.

Zharkamys 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, 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 Court of Appeal ruling is enforceable under law, the Company is submitting a 630 day extension application to the Ministry. The Ministry has up to six months to appeal the case to the Supreme Court. Should the case not be appealed by the Ministry to the Supreme Court or, in the case of an appeal and a positive ruling by the Supreme Court to uphold the force majeure, the Company expects the exploration period would be extended by 630 days. Conversely, if the case is appealed by the Ministry to the Supreme Court and the Supreme Court delivers a negative ruling, the Zharkamys Contract would likely revert 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.

SELECTED FINANCIAL INFORMATION

For the three months ended March 31

($000's except per share amounts)	**2018**	**2017**
Crude oil and natural gas sales	4,952	947
Cash from (used in) operating activities	2,055	(2,233)
Cash from (used in) operating activities per share (basic and diluted)	0.05	(0.05)
Net loss	(803)	(59,907)
Net loss per share (basic and diluted)	(0.02)	(1.38)
Capital expenditures	250	8,298

RESULTS OF OPERATIONS

Sales and operating netback[1]

For the three months ended March 31

		2018			**2017**	
	Oil ($000's)	**Gas ($000's)**	**Total ($000's)**	**Oil ($000's)**	**Gas ($000's)**	**Total ($000's)**
Crude oil and natural gas sales	1,344	3,608	4,952	947	-	947
Royalties	(25)	(433)	(458)	(29)	-	(29)
Production costs	(357)	(407)	(764)	(348)	-	(348)
Transportation and selling	(167)	(143)	(310)	-	-	-
Operating netback [1]	795	2,625	3,420	570	-	570
	Oil ($/bbl)	**Gas ($/boe)**	**Total ($/boe)**	**Oil ($/bbl)**	**Gas ($/boe)**	**Total ($/boe)**
Crude oil and natural gas sales	38.98	43.38	42.09	29.72	-	29.72
Royalties	(0.72)	(5.21)	(3.89)	(0.91)	-	(0.91)
Production costs	(10.35)	(4.89)	(6.49)	(10.92)	-	(10.92)
Transportation and selling	(4.84)	(1.72)	(2.64)	-	-	-
Operating netback [1]	23.05	31.56	29.07	17.89	-	17.89
Sales volume (boe)	34,483	83,163	117,646	31,844	-	31,844

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.

Crude oil and natural gas sales increased to $5.0 million on 117,646 barrels of oil equivalent or $42.09 per barrel of oil equivalent for the three months ended March 31, 2018 compared to $0.9 million on 31,844 barrels of oil or $29.72 per barrel for the same period in 2017. Operating netback averaged $29.07 per barrel of oil equivalent in the first quarter of 2018 (2017: $17.89).

Crude oil and natural gas sales increased in the first quarter of 2018 versus the first quarter of 2017 due mainly to the commencement of natural gas production in Turkey in December 2017 which generated $3.6 million of sales, higher crude oil sales volumes and higher crude oil sales prices per barrel as domestic crude oil prices in Kazakhstan strengthened throughout 2017. In addition, the delivery point for crude oil sales in Kazakhstan was previously at the Company's facilities in the Shoba and Taskuduk oilfields but commencing in May 2017, oil is delivered by truck to nearby refineries and a higher sales price is realized along with the related transportation and selling expenses.

Marketing

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.

Natural gas sales in Turkey are domestic sales 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.

Along with natural gas, the Company began producing small amounts of associated condensate in 2018. The condensate is trucked to a near-by facility for blending, storage and onward sales. There have been no condensate sales to date and condensate pricing details will be provided once they are confirmed.

Production

For the three months ended March 31	2018	2017	Change	Change %
Crude oil (bbl)	37,910	37,648	262	1%
Natural gas (Mscf)	514,447	-	514,447	-
Natural gas (boe)	85,741	-	85,741	-
Condensate (bbl)	1,916	-	1,916	-
Total production volume (boe)	125,567	37,648	87,919	234%
Crude oil (bopd)	421	418	3	1%
Natural gas (Mscfpd)	5,716	-	5,716	-
Natural gas (boepd)	953	-	953	-
Condensate (bopd)	21	-	21	-
Average daily production (boepd)	1,395	418	977	234%

The Company produces crude oil in Kazakhstan and natural gas and condensate in Turkey. Overall production increased 234% to 125,567 barrels of oil equivalent or an average of 1,395 boepd in 2018 from 37,648 barrels of oil equivalent or an average of 418 bopd in 2017. Production increased mainly due to the commencement of natural gas production in Turkey in December of 2017. Gas production rates were initially restricted to allow for optimization of the facility equipment settings and de-bottlenecking activities during start-up operations. The facility transitioned into routine operations mode in February 2018.

Production costs

Production costs are comprised mainly of personnel, fuel, heavy equipment, safety, maintenance, field camp, property tax and social infrastructure costs. Production costs increased to $0.8 million or $6.49 per barrel of oil equivalent for the first quarter of 2018 from $0.3 million or $10.92 per barrel for the first quarter of 2017 due mainly to the commencement of gas production in Turkey in late 2017.

Royalties

Royalties increased to $0.5 million for the three months ended March 31, 2018 from $0.03 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%) and a flat royalty rate in Turkey of 12.5%.

Transportation and selling expense

For the three months ended March 31, 2018, transportation and selling expense amounted to $0.3 million or $2.64 per barrel of oil equivalent (2017: nil). In Kazakhstan, the delivery point for crude oil sales was previously at the Company's facilities in the Shoba and Taskuduk oilfields but commencing in May 2017, oil is delivered by truck to nearby refineries and a higher sales price and the related transportation and selling expense are realized.

In Turkey, the Company recognizes transportation costs related to natural gas sales amounting to $0.1 million or $0.29 per Mscf in the first quarter of 2018 (2017: nil). The Company also incurs transportation costs related to condensate sales which are capitalized as inventory until the condensate is sold and the respective amounts are expensed.

General and administrative expense

General and administrative expense is comprised mainly of personnel, professional services, office, and travel costs and decreased to $1.6 million for the three months ended March 31, 2018 from $2.5 million for the same period in 2017 due to significant cost cutting measures and staff reductions.

Depletion and depreciation expense

For the quarter ended March 31, 2018, depletion and depreciation expense increased to $1.8 million from $0.6 million for the same period in 2017 due mainly to the increased volume of gas sales but decreased to $14.88 per boe in 2018 from $18.87 per barrel in 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 $0.02 million for the three months ended March 31, 2018 from $0.3 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, expense and accretion expense

For the three months ended March 31, 2018, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to $0.2 million compared to $0.1 million in the previous period.

Finance expense increased to $0.7 million for the three months ended March 31, 2018 from $0.5 million for the same period in 2017 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 $0.3 million in the three months ended March 31, 2018 compared to $0.1 million for the same period in 2017 due to the foreign exchange movements of USD denominated borrowings.

LIQUIDITY AND CAPITAL RESOURCES

In Turkey, the Poyraz Ridge gas processing facilities and pipeline were substantially completed and commissioned in December 2017 and no significant capital expenditures are expected on the facilities in 2018. Depending on the timing and amount of available capital including funds from operating activities, the Company is planning to drill up to two wells at Poyraz Ridge in 2018. There are no work commitments related to the Poyraz Ridge or Destan operating licenses.

In Kazakhstan, the Company has work commitments of $5.6 million in 2018 and depending on the timing and amount of available capital including funds from operating activities, the Company is planning to drill up to two wells at Shoba. Any work program shortfalls in Kazakhstan 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 March 31, 2018 the Company has $(1.2) million of working capital and expects positive cash flow from crude oil sales in Kazakhstan and positive cash flow from natural 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.

COMMITMENTS AND CONTINGENT LIABILITIES

The Company's contractual work commitments as at March 31, 2018 are as follows:

($000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Shoba	4,644	5,548	1,069	2,170	13,431
Taskuduk	974	69	56	123	1,222

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. Related to Destan, the Government of Turkey has notified the Company to commence production activities by September 17, 2018 or the Destan operating license could be revoked. The Company plans to commence production at Destan as required by trucking compressed natural gas to the Poyraz Ridge facilities for processing and onward sales or by tying into a nearby pipeline distribution access point at minimal capital cost.

OUTSTANDING SHARE DATA

Common shares

As at March 31, 2018 and the date of this MD&A there were 43,265,100 common shares outstanding.

Convertible securities

As at March 31, 2018 and the date of this MD&A, outstanding convertible securities are comprised of 2,989,000 stock options with a weighted average exercise price of $2.33 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 March 31, 2018.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to March 31, 2018:

For the quarter ended ($000's except per share amounts)	**Q1 2018**	**Q4 [3] 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**
Crude oil and natural gas sales [1]	4,952	1,599	1,701	1,405	947	1,203	72	257
Net income (loss) [2]	(803)	(125)	(2,531)	(4,105)	(59,907)	(3,183)	(1,650)	(2,994)
Net income (loss) per share (basic and diluted)	(0.02)	(0.003)	(0.06)	(0.10)	(1.38)	(0.07)	(0.04)	(0.06)

1 Prior to Q4 2016, crude oil and natural gas sales were inconsistent due to certain production and sales constraints related to exploration period and trial production limitations, low domestic crude oil prices in Kazakhstan during 2016 and delays in executing the Shoba and Taskuduk production contracts. Thereafter, sales are impacted by the level of production and sales volumes in each period and by crude oil sales prices, which increased each quarter during 2017.

2 Net income (loss) in all periods has been impacted by, among other things, production, sales issues discussed in (1) above, 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 Zharkamys Contract assets derecognition.

3 Natural gas production and sales in Turkey commenced in mid-December 2017 at the Company's Poyraz Ridge gas field.

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 consolidated 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 March 31, 2018.

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 financial statements.

Further information about changes to our accounting policies resulting from the adoption of IFRS 9 and IFRS 15 can be found in Note 15 to the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018 and 2017.

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 three months ended March 31, 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 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 and prices for future oil and gas sales; 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 and cash flows; sources and availability of financing for potential budgeting shortfalls; the timing and ability to obtain future funding on favorable terms; general business strategies and objectives; the timing and ability to modify processing equipment and to increase gas plant uptime; the ability to identify and drill into reservoir 'sweet spots' to enhance production; the timing and ability to integrate recently reprocessed seismic data into a revised geological model and to identify future drilling locations; the timing and ability to tie the Yakamoz 1 well into the existing Poyraz Ridge gas plant for processing and onward sales; 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; the timing and ability to maintain the Destan operating license; the timing and ability to commence production activities at Destan and begin trucking compressed natural gas or tie into a nearby pipeline; the timing and ability to market and sell Destan gas; 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; 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
TL	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.