Management's Discussion and Analysis
For the three and nine months ended September 30, 2019
Dated November 13, 2019

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 its Annual Information Form for the year ended December 31, 2018, 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, 2019 and 2018, and the audited consolidated financial statements for the years ended December 31, 2018 and 2017 (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 13, 2019, 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 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

- The Company's wholly owned subsidiary, Falcon Oil & Gas Ltd ("Falcon") entered into a binding agreement to sell Falcon's 100% interests in the Shoba and Taskuduk production contracts and associated field equipment in Kazakhstan for USD 24.6 million (CAD 32.7 million at the current exchange rate of 1.33).
- On November 12, 2019 Condor signed a Heads of Agreement with the Ministry of Energy of the Government of Uzbekistan which provides the Company with a 120 day exclusive window to negotiate a definitive production sharing agreement for five producing gas fields.

- The Company has submitted an extension application to the Ministry of Energy of the Government of Kazakhstan and expects the exploration period to the Zharkamys Contract will be extended by 630 days commencing in late 2019.
- Contract preparations are on-going with a farm-in partner to drill the Yakamoz 1 side-track well and a subsequent appraisal well in Turkey. A non-binding letter of intent and term sheet has been signed by both parties.
- The reference natural gas sales prices in Turkey set by BOTAŞ, the state owned pipeline transportation company, were increased in both July and August of 2019 resulting in a Canadian Dollar terms price of $10.20 per Mscf as of November 1, 2019.

Shoba and Taskuduk Sale

Falcon entered into a binding agreement to sell Falcon's 100% interests in the Shoba and Taskuduk production contracts and associated field equipment in Kazakhstan for USD 24.6 million, or CAD 32.7 million at the current exchange rate of 1.33 (the "Sale Transaction"). The buyer is a non-listed international oil and gas group and has paid an initial deposit of USD 3.8 million (CAD 5.1 million at the current exchange rate of 1.33). The remaining amount ("Completion Payment") is due upon closing of the Sale Transaction ("Closing"), which is expected in the first quarter of 2020. The transaction requires various consents and confirmations from the Government of Kazakhstan and is subject to the satisfaction of certain commercial conditions that are customary for a transaction of this nature.

The Company intends to use the sale proceeds to: pursue larger value growth opportunities within the region; pay down amounts owing under its existing credit facility; conduct additional activities to increase natural gas production in Turkey; and resume Kazakhstan exploration activities once the 630 day exploration extension is formalized for the Zharkamys Contract.

Falcon remains the owner and operator of the oilfields until Closing occurs. At Closing, the Buyer will be entitled to reduce the Completion Payment by the amount of net revenues less costs generated from the production and sale of crude oil from the oilfields commencing sixty days following confirmation that the Buyer has paid the Deposit, provided a proof of funds letter demonstrating available funds to pay the Completion Payment and applied to the relevant authorities for the required Government of Kazakhstan consents.

Heads of Agreement with the Government of Uzbekistan

On November 12, 2019 Condor signed a Heads of Agreement ("HoA") with the Ministry of Energy of the Government of Uzbekistan ("Uzbekistan Ministry") which provides the Company a 120 day window to negotiate a definitive production sharing agreement ("PSA") with the Uzbekistan Ministry. The PSA, if executed, would include up to five producing gas fields and the associated gathering pipelines and gas treatment infrastructure along with the right to explore and develop certain exploration areas surrounding the current producing gas fields. The fiscal and operating terms expected to be defined in the PSA include royalty rates, cost recovery, profit splits, gas marketing and pricing, governance and steering committee structures and acquisition payments for the immoveable property in the fields.

Don Streu, President and CEO commented "We are excited about the potential investment opportunity in Uzbekistan. The country has been undergoing significant economic, legal, tax and social reforms under the guidance of President Shavkat Mirziyoyev and is ranked by the World Bank as one of the 20 economies where business climates have improved the most over the past year. It's the 16th largest gas producer in the world with established export routes to Europe and China. We firmly believe that our vast regional experience, application of new technologies and innovations can be successfully deployed in Uzbekistan to significantly increase existing field production."

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. Pursuant to an appeal filed by the Ministry, the Kazakhstan Court of Appeal ("Court of Appeal") ruled in May 2017 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 ruling upheld that the force majeure event had occurred. The Ministry did not appeal to the Supreme Court and the Company subsequently submitted an application to the Ministry and is in the process of preparing and seeking approvals for the various development projects required for the 630 day extension.

Continuing and discontinued operations classification

Following the execution of the agreement for the Sale Transaction, as of September 30, 2019 the related Shoba and Taskuduk net assets and liabilities have been reclassified to assets and liabilities held for sale and the results of Shoba and Taskuduk operations are presented as discontinued operations for all current and prior periods throughout this MD&A. For further information relating to discontinued operations, please refer to Note 2 to the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018.

Continuing operations

Contract preparations are on-going with a farm-in partner to drill the Yakamoz 1 side-track well and a subsequent appraisal well in Turkey. A non-binding letter of intent and term sheet has been signed by both parties. The Company previously drilled Yakamoz 1 and encountered numerous gas shows while drilling. A revised geological model has been created by integrating the Yakamoz 1 well data with recently reprocessed seismic data and has identified up-dip targets for the side-track. These side-track locations target both the proven Miocene and Upper Eocene reservoirs, in addition to the deeper Middle to lower Eocene reservoirs, which have not yet been tested. A successful Yakamoz 1 side-track well would be tied 2km into the existing Poyraz Ridge gas plant for processing and onward sales.

The Company produces natural gas and associated condensate in Turkey. The Company produced 19,267 boe in Turkey or an average of 213 boepd and received an operating netback[1] of $28.32 per boe for the three months ended September 30, 2019 (three months ended September 30, 2018: produced 59,960 boe or an average of 652 boepd and an operating netback[1] of $25.22 per boe). A stimulation workover program is being developed that is intended to realize commercial gas flow rates for the lower permeability reservoirs.

Cash used in continuing operations decreased to $0.8 million for the three months ended September 30, 2019 versus cash from continuing operations of $0.7 million for the same period in 2018.

SELECTED FINANCIAL INFORMATION OF CONTINUING OPERATIONS

For the three months ended September 30

($000's except per share amounts)	2019	2018
Natural gas and condensate sales	1,097	2,166
Cash from (used in) continuing operations	(805)	748
Net loss from continuing operations	(2,933)	(4,654)
Net loss from continuing operations per share (basic and diluted)	(0.07)	(0.11)
Capital expenditures	108	344

For the nine months ended September 30

($000's except per share amounts)	2019	2018
Natural gas and condensate sales	4,274	8,981
Cash from (used in) continuing operations	(1,526)	2,497
Net loss from continuing operations	(7,127)	(7,484)
Net loss from continuing operations per share (basic and diluted)	(0.16)	(0.17)
Capital expenditures	218	2,071

RESULTS OF CONTINUING OPERATIONS

Sales and operating netback[1] for the three months ended September 30

	2019			2018		
($000's)	**Gas**	**Condensate**	**Total**	**Gas**	**Condensate**	**Total**
Sales	1,033	64	1,097	2,166	-	2,166
Royalties	(131)	(9)	(140)	(262)	-	(262)
Production costs	(312)	(14)	(326)	(368)	-	(368)
Transportation and selling	(81)	(15)	(96)	(102)	-	(102)
Operating netback[1]	509	26	535	1,434	-	1,434
($/boe)						
Sales	56.92	86.14	58.07	38.09	-	38.09
Royalties	(7.22)	(12.11)	(7.41)	(4.61)	-	(4.61)
Production costs	(17.19)	(18.84)	(17.26)	(6.48)	-	(6.48)
Transportation and selling	(4.46)	(20.19)	(5.08)	(1.78)	-	(1.78)
Operating netback[1]	28.05	35.00	28.32	25.22	-	25.22
Sales volume (boe)	18,149	743	18,892	56,860	-	56,860

Sales and operating netback[1] for the nine months ended September 30

	2019			2018		
($000's)	**Gas**	**Condensate**	**Total**	**Gas**	**Condensate**	**Total**
Sales	4,111	163	4,274	8,716	265	8,981
Royalties	(509)	(22)	(531)	(1,049)	(32)	(1,081)
Production costs	(849)	(21)	(870)	(1,183)	(12)	(1,195)
Transportation and selling	(333)	(35)	(368)	(351)	(62)	(413)
Operating netback[1]	2,420	85	2,505	6,133	159	6,292
($/boe)						
Sales	54.91	93.46	55.79	41.90	102.61	42.64
Royalties	(6.80)	(12.61)	(6.93)	(5.05)	(12.31)	(5.13)
Production costs	(11.34)	(12.04)	(11.36)	(5.69)	(4.80)	(5.67)
Transportation and selling	(4.45)	(20.07)	(4.80)	(1.68)	(24.10)	(1.96)
Operating netback[1]	32.32	48.74	32.70	29.48	61.40	29.88
Sales volume	74,868	1,744	76,612	208,022	2,581	210,603

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.

Total sales decreased to $1.1 million on 18,892 boe or $58.07 per boe for the three months ended September 30, 2019 (2018: $2.2 million on 56,860 boe or $38.09 per boe) and decreased to $4.3 million on 76,612 boe or $55.79 per boe for the nine months ended September 30, 2019 (2018: $9.0 million on 210,603 boe or $42.64 per boe). Overall sales have decreased for 2019 to date versus the same respective periods in 2018 due mainly to the decrease in natural gas production and sales but partially offset by stronger realized gas prices.

Operating netbacks decreased to $0.5 million or $28.32 per boe in the three months ended September 30, 2019 from $1.4 million or $25.22 per boe in 2018 and decreased to $2.5 million or $32.70 per boe for the nine months ended September 30, 2019 from $6.3 million or $29.88 per boe in 2018 due mainly to decreased gas production and sales as well as an increase in royalties, production costs and transportation costs per boe although realized gas prices increased to $58.07 per boe for the three months ended September 30, 2019 from $38.09 in 2018 and increased to $55.79 per boe for the nine months ended September 30, 2019 from $42.64 in 2018.

Marketing

Natural gas sales in Turkey are domestic sales via pipeline at prices published monthly by the state owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales in Turkey is BOTAS Level 2 wholesale tariffs less a marketing differential.

Gas from the neighbouring Destan gas field in Turkey is currently being produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and being marketed along with Poyraz Ridge gas production which is directly tied into the gas plant.

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 Turkish Petroleum Corporation, the Turkish national oil company.

Royalties

Royalties decreased to $0.5 million for the nine months ended September 30, 2019 from $1.1 million for the same period in 2018 due mainly to the decrease in gas sales in Turkey. The Company is subject to a flat royalty rate in Turkey of 12.5% of natural gas and condensate sales.

Production

For the three months ended Sep 30	2019	2018	Change	Change %
Natural gas (Mscf)	115,974	352,271	(236,297)	(67%)
Natural gas (boe)	19,329	58,712	(39,383)	(67%)
Condensate (bbl)	298	1,248	(950)	(76%)
Total production volume (boe)	19,627	59,960	(40,333)	(67%)
Natural gas (Mscfpd)	1,261	3,829	(2,568)	(67%)
Natural gas (boepd)	210	638	(428)	(67%)
Condensate (bopd)	3	14	(11)	(79%)
Average daily production (boepd)	213	652	(439)	(67%)

For the nine months ended Sep 30				
Natural gas (Mscf)	471,715	1,287,269	(815,554)	(63%)
Natural gas (boe)	78,619	214,545	(135,926)	(63%)
Condensate (bbl)	1,126	4,562	(3,436)	(75%)
Total production volume (boe)	79,745	219,107	(139,362)	(64%)
Natural gas (Mscfpd)	1,728	4,715	(2,987)	(63%)
Natural gas (boepd)	288	786	(498)	(63%)
Condensate (bopd)	4	17	(13)	(76%)
Average daily production (boepd)	292	803	(511)	(64%)

Overall production for the three months ended September 30, 2019 decreased 64% to 79,745 boe or an average of 292 boepd from 219,107 boe or an average of 803 boepd in 2018.

Production costs

Overall production costs decreased in line with decreased gas sales volumes to $0.3 million for the three months and $0.9 million for the nine months ended September 30, 2019 from $0.4 million and $1.2 million, respectively, in 2018. Production costs are comprised mainly of fuel, heavy equipment, personnel, chemicals, water disposal, safety and maintenance costs.

Production costs increased to $17.26 per boe for the three months and to $11.36 per boe for the nine months ended September 30, 2019 from $6.48 per boe for the three months and $5.67 per boe for the nine months ended September 30, 2018. Costs increased per boe due mainly to natural gas production decreases for which production costs are mainly fixed costs.

Transportation and selling expense

Total transportation and selling expenses have remained about the same at $0.1 million for the three months and $0.4 million for the nine months ended September 30, 2019 compared to the same periods in 2018 as pipeline transmission fees and condensate transportation costs have decreased in line with lower sales volumes while higher transportation costs have been incurred related to Destan gas sales which commenced in September 2018.

Transportation costs on gas sales are comprised of pipeline transmission fees and compressed natural gas trucking costs on Destan sales and on condensate sales are comprised of trucking, blending, storage and loading costs.

General and administrative expense

Total general and administrative expenses have remained about the same at $1.6 million for the three months and $4.6 million for the nine months ended September 30, 2019 compared to the same periods in 2018. General and administrative expenses are comprised mainly of personnel, professional services, office, and travel costs.

Depletion and depreciation expense

Depletion and depreciation expense decreased to $0.5 million for the three months ended September 30, 2019 from $0.7 million for the same period in 2018 and decreased to $1.9 million for the nine months ended September 30, 2019 from $3.0 million for the same period in 2018 due mainly to the decreased gas sales volumes.

Stock based compensation expense

Stock based compensation expense decreased to $0.2 million for the nine months ended September 30, 2019 from $0.3 million for the same period in 2018. 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, 2019, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to $0.3 million compared to $0.4 million in 2018.

Finance expense decreased to $1.8 million for the nine months ended September 30, 2019 from $2.1 million in 2018. Finance expense includes interest on long term borrowings, amortization of loan issuance costs, amortization of warrants, interest expense related to lease liabilities, the impact of VAT receivables discounting, and accretion cost on decommissioning provisions.

Foreign currency exchange gains and losses

The foreign exchange loss for the nine months ended September 30 amounted to $1.5 million in 2019 compared to $4.2 million in 2018 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 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, 2019 and 2018.

RESULTS OF DISCONTINUED OPERATIONS

As noted above, the Company's subsidiary Falcon entered into a binding agreement to sell Falcon's 100% interests in the Shoba and Taskuduk production contracts and associated field equipment in Kazakhstan and accordingly the related activities are presented as discontinued operations.

Operations

The Company produces crude oil in Kazakhstan. Oil production increased 76% to 55,547 barrels or an average of 604 bopd for the third quarter of 2019 as compared to the third quarter of 2018 in which the Company produced 31,600 barrels or an average of 343 bopd.

During the third quarter, the Shoba 14 development well was drilled and began producing and the five well workover program at Shoba and Taskuduk was completed. Subsequent production averaged over 800 bopd for a fifteen day period but then decreased due to a well failure. Future workovers have been deferred due to the pending Shoba and Taskuduk Sale Transaction.

Sales

Crude oil sales increased to $2.1 million on 57,062 bbl or $36.33 per bbl for the three months ended September 30, 2019 (2018: $1.3 million on 32,174 bbl or $39.87 per bbl) and to $6.0 million on 160,878 bbl or $37.05 per bbl for the nine months ended September 30, 2019 (2018: $4.2 million on 105,747 bbl or $39.94 per bbl) due mainly to the higher production and sales volumes.

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.

Production costs

Overall production costs decreased to $10.12 per bbl for the three months and to $8.98 per bbl for the nine months ended September 30, 2019 from $12.37 per bbl for the three months and $10.99 per bbl for the nine months ended September 30, 2018 mainly due to the increase in oil production volumes.

In line with increased oil sales volumes, overall production costs increased to $1.4 million for the nine months ended September 30, 2019 from $1.2 million in 2018. Production costs are comprised mainly of fuel, heavy equipment, personnel, chemicals, water disposal, safety and maintenance costs.

Transportation and selling expense

Transportation and selling expense decreased from $0.4 million for the nine months ended September 30, 2018 to nil for the same period in 2019. During 2018 approximately three quarters of the crude oil sales were delivered by truck at the Company's cost to nearby refineries and one quarter were sold at the wellhead and had no related transportation costs whereas in 2019 all crude oil sales were sold at the wellhead.

General and administrative expense

General and administrative expenses are comprised mainly of personnel, professional services, office, and travel costs and have remained approximately the same at $0.2 million for the nine months ended September 30, 2019 and 2018.

Depletion and depreciation expense

Depletion and depreciation expense increased to $0.6 million for the three months ended September 30, 2019 from $0.5 million for the same period in 2018 and to $1.7 million for the nine months ended September 30, 2019 from $1.6 million for the same period in 2018 due mainly to increased oil production. The Company ceased depletion on assets held for sale on September 23, 2019.

Finance expense

Finance expense remained about the same for the nine months ended September 30 at $0.2 million in 2019 compared to $0.3 million in 2018. Finance expense includes accretion expense on historical cost obligations and accretion cost on decommissioning provisions.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkey. Depending on the timing and availability of capital including funds from operating activities, the Company may conduct additional workovers at Poyraz Ridge in the next twelve months. There are no significant capital expenditures planned at Destan.

At September 30, 2019 the Company had accumulated losses of $186.2 million since inception (December 31, 2018: $181.5 million), a working capital deficiency of $6.8 million, excluding assets and liabilities held for sale (December 31, 2018: deficiency of $4.6 million) and reported a net loss for the nine months ended September 30, 2019 of $4.8 million (2018: $10.5 million). Working capital as at September 30, 2019 includes $2.8 million of accounts payable and accrued liabilities related to capital expenditures in Kazakhstan which have payment terms of approximately $0.7 million per quarter and the Company expects to meet these liabilities and the working capital deficiency with the proceeds from the Shoba and Taskuduk sale. Should the sale not be completed as currently anticipated in the first quarter of 2020, the Company will require additional funding to fund operations and repay existing borrowings. In addition to the Shoba and Taskuduk disposal, the Company is currently pursuing other funding initiatives including renegotiating the terms of the existing borrowings and securing funding from additional debt or equity financing. There is no assurance that sufficient debt refinancing of existing borrowings, new financings, equity offerings or other arrangements can be completed on favorable terms, or at all. These conditions indicate a material uncertainty which lends significant doubt about the Company's ability to continue as a going concern.

As at September 30, 2019 the outstanding principal on the Company's secured non-revolving credit facility (the "Facility") amounted to USD 6.3 million comprising two payments of USD 0.9 million followed by three payments of USD 1.5 million with the final payment due September 30, 2020. The Facility bears interest at 14% with principal plus accrued interest payments due each quarter in arrears.

The Facility balance at September 30, 2019 includes the quarterly principal payment of USD 0.9 million and accrued interest of USD 0.2 million scheduled for payment on September 30, 2019. Prior to the scheduled payment date, the Facility lender provider a consent and waiver for the payment to be made on or before October 15, 2019. The principal and accrued interest was paid on October 1, 2019.

To date, the Company has made all scheduled repayments. The Facility contains no financial covenants and the Company is in compliance with all non-financial covenants. The 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 Facility security.

COMMITMENTS AND CONTINGENT LIABILITIES

The Company's contractual work commitments for the next twelve months pursuant to the Shoba and Taskuduk production contracts in Kazakhstan are $1.2 million. The Shoba and Taskuduk work commitments will be the responsibility of the buyer upon the closing of the Sale Transaction discussed above. 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 the event that 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 one percent of the shortfall.

If the Zharkamys exploration contract is reinstated, the exploration period extension would carry estimated additional work commitments of $3.9 million for the first twelve months of the extension period comprised mainly of drilling two exploration wells. To fund the additional Zharkamys work commitments, the Company would require additional funding by generating positive cash flows from operations, renegotiating the terms of the current borrowings, securing funding from additional debt or equity financing, disposing of assets, obtaining a farmout partner or making other arrangements.

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

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

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to September 30, 2019:

For the quarter ended (000's except per share amounts) [4]	**Q3 2019**	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4[1] 2017**
Sales	1,097	1,296	1,881	2,694	2,166	3,207	3,608	340
Net loss from continuing operations[2]	(2,933)	(2,243)	(1,951)	(4,174)	(4,654)	(1,899)	(931)	(3,588)
Net income (loss) from discontinued operations[2]	750	872	720	638	137	(3,315)	128	3,463
Net loss[2]	(2,183)	(1,371)	(1,231)	(3,536)	(4,517)	(5,214)	(803)	(125)
Net loss from continuing operations per share [3]	(0.07)	(0.05)	(0.05)	(0.09)	(0.11)	(0.04)	(0.02)	(0.08)
Net income (loss) from discontinued operations per share [3]	0.02	0.02	0.02	0.01	0.01	(0.08)	0.003	0.08
Net loss per share [3]	(0.05)	(0.03)	(0.03)	(0.08)	(0.10)	(0.12)	(0.02)	(0.003)

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

2 The net loss in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs and operating netbacks, foreign exchange gains and losses and deferred income tax expense/recovery in the respective periods. The net loss amount includes specific significant period items of: $3.4 million deferred income tax recovery in Q4 2017; $3.5 million deferred income tax expense in Q2 2018; $3.2 million foreign exchange loss in Q3 2018; and $3.8 million impairment expense in Q4 2018.

3 Per share amounts are basic and diluted.

4 Prior quarterly information has been restated to reflect discontinued operations.

OUTSTANDING SHARE DATA

Common shares

As at September 30, 2019 and the date of this MD&A there were 44,165,100 common shares outstanding.

Convertible securities

As at September 30, 2019 and the date of this MD&A, outstanding convertible securities are comprised of 4,171,500 stock options with a weighted average exercise price of $0.94 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, 2019.

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, 2018. There have been no significant changes to the Company's critical accounting estimates as of September 30, 2019 except for the judgment applied in relation to the Shoba sale transaction, the details of which are presented in the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018.

CHANGES IN ACCOUNTING POLICIES

IFRS 16 Leases

The Company adopted IFRS 16 Leases effective January 1, 2019. The adoption of IFRS 16 did not have a material impact on the Financial Statements. Further information about changes to the Company's accounting policies resulting from the adoption of IFRS 16 is presented in the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018.

Assets and liabilities held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable, and the asset is available for immediate sale in its present condition.

Non-current assets and disposal groups are classified and presented as discontinued operations if the assets or disposal groups are disposed of or classified as held for sale and:

- the assets or disposal groups are a major line of business or geographical area of operations;
- the assets or disposal groups are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- the assets or disposal groups are a subsidiary acquired solely for the purpose of resale.

The assets or disposal groups that meet these criteria are measured at the lower of the carrying amount and fair value less cost of disposal, with impairments recognized in the consolidated statement of comprehensive income (loss). An impairment loss is recognized for any initial or subsequent write-down of the asset or disposal group to fair value less costs to dispose. Non-current assets and liabilities held for sale are presented separately in current assets and liabilities within the consolidated statement of financial position. Assets held for sale are not depreciated, depleted or amortized. The comparative period consolidated statement of financial position is not restated.

The results of discontinued operations are shown separately in the consolidated statements of comprehensive income (loss) and cash flows and comparative figures are restated

The Sale Transaction is subject to Government of Kazakhstan approvals and the Company applied judgment in the application of its accounting policies in determining that the transaction met the held for sale criteria at September 30, 2019 and to estimate the Closing date.

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, 2019, 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; foreign currency exchange rates, including the Canadian dollar equivalent of the deposit and the expected total proceeds of the Sale Transaction; the timing and ability to obtain the required consents and satisfy the various governmental and commercial conditions of the Sale Transaction, if at all; the timing and ability to receive the Completion Payment; the timing of the Closing of the Sale Transaction; the use of proceeds from the Sale Transaction, including the repayment of amounts owing under the Facility; the timing and ability to pursue other growth opportunities; the timing and ability to increase natural gas production and realize commercial gas flow rates for the lower permeability reservoirs; the timing and ability to execute a PSA with the Uzbekistan Ministry under favorable terms, or at all; the fields and exploration area to be included in the PSA; the terms and conditions of the PSA including but not limited to royalty rates, cost recovery, profit splits, gas marketing and pricing, governance and acquisition payments; 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, natural gas and condensate production; expected markets, prices costs and operating netbacks for future oil, gas and condensate 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; the timing and ability to access 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 timing and ability to obtain a farm-in partner for Yakamoz; the timing and ability to tie the Yakamoz field into the Company's existing gas plant; 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
M	Thousands
scf	Standard cubic feet
scfpd	Standard cubic feet per day
CAD	Canadian dollars
KZT	Kazakhstan tenge
TRL	Turkish lira
USD	United States dollars

* 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.