CONDOR PETROLEUM INC

Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(Unaudited)

Condor Petroleum Inc.

Consolidated Statements of Financial Position (Unaudited)
Stated in thousands of Canadian dollars

As at	Note	March 31, 2020	December 31, 2019
Assets			
Cash and cash equivalents		18,992	2,935
Trade and other receivables		404	334
Other current assets	3	4,233	4,830
		23,629	8,099
Assets held for sale	2	17,726	18,743
Total current assets		41,355	26,842
Exploration and evaluation assets	1	257	-
Property, plant and equipment	4	14,436	15,033
Other long term assets	5	3,742	3,610
Total assets		59,790	45,485
Liabilities			
Accounts payable and accrued liabilities		3,872	4,714
Lease liabilities		34	47
Current portion of long term borrowings		-	6,846
Current portion of provisions	6	-	345
Deferred revenue		-	119
Deposit for assets held for sale	2	26,903	5,124
		30,809	17,195
Liabilities held for sale	2	2,927	3,140
Total current liabilities		33,736	20,335
Provisions	6	2,852	2,397
Total liabilities		36,588	22,732
Equity			
Share capital	7	271,931	271,931
Contributed surplus		21,876	21,849
Translation reserve		(78,227)	(79,467)
Deficit		(192,378)	(191,560)
Total equity		23,202	22,753
Total liabilities and equity		59,790	45,485

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condor Petroleum Inc.
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
Stated in thousands of Canadian dollars
(except for per share amounts)

For the three months ended March 31	Note	2020	2019[1]
Revenue			
Natural gas and condensate sales	13	734	1,881
Royalties		(95)	(230)
Total revenue		639	1,651
Expenses			
Production costs		260	284
Transportation and selling		151	141
General and administrative		2,892	1,407
Depletion and depreciation	4	418	723
Stock based compensation	9	27	65
Total expenses		(3,748)	(2,620)
Finance income		150	103
Finance expense		(233)	(554)
Foreign exchange gain (loss)	11	1,594	(531)
Net loss from continuing operations		(1,598)	(1,951)
Net income from discontinued operations	2, 14	780	720
Net loss		(818)	(1,231)
Foreign currency translation adjustment	11	1,240	(457)
Comprehensive income (loss)		422	(1,688)
Basic and diluted net income (loss) per share			
Net loss from continuing operations		(0.04)	(0.05)
Net income from discontinued operations		0.02	0.02
Net loss		(0.02)	(0.03)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

[1] The comparative period has been restated to reflect discontinued operations as discussed in Note 2 and Note 14.

Condor Petroleum Inc.

Consolidated Statements of Cash Flows (Unaudited)
Stated in thousands of Canadian dollars

For the three months ended March 31	Note	**2020**	**2019**[2]
Operating activities:			
Net loss from continuing operations		(1,598)	(1,951)
Items not affecting cash:			
Depletion and depreciation		418	723
Stock based compensation		27	65
Finance income		(107)	(91)
Finance expenses		162	554
Unrealized foreign exchange loss		398	566
Cash used in operating activities before changes in non-cash working capital		(700)	(134)
Changes in non-cash working capital		(587)	315
Cash from (used in) continuing operations		(1,287)	181
Cash from discontinued operations		885	1,332
Cash from (used in) operating activities		(402)	1,513
Investing activities:			
Property, plant and equipment expenditures	4	(51)	(34)
Exploration and evaluation expenditures		(286)	-
Changes in non-cash working capital		19	(92)
Cash from (used in) continuing investing activities		(318)	(126)
Deposit for assets held for sale	2	24,189	-
Cash used in discontinued investing activities		(113)	(779)
Cash from (used in) investing activities		23,758	(905)
Financing activities			
Repayment of borrowings	12	(6,966)	(134)
Interest paid on borrowings	12	(64)	(333)
Lease payments		(23)	(27)
Cash used in continuing financing activities		(7,053)	(494)
Change in cash		16,303	114
Effect of foreign exchange on cash		(246)	(23)
Cash and cash equivalents, beginning		2,935	1,690
Cash and cash equivalents, ending		18,992	1,781

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

[2] The comparative period has been restated to reflect discontinued operations as discussed in Note 2 and Note 14.

Condor Petroleum Inc.

Consolidated Statements of Changes in Equity (Unaudited)
Stated in thousands of Canadian dollars
(except for number of common shares)

	Number of common shares	Share capital	Contributed surplus	Translation reserve	Deficit	Total equity
As at December 31, 2018	44,165,100	271,931	21,638	(77,223)	(181,460)	34,886
Stock based compensation expense	-	-	65	-	-	65
Foreign currency translation adjustment	-	-	-	(457)	-	(457)
Net loss	-	-	-	-	(1,231)	(1,231)
As at March 31, 2019	44,165,100	271,931	21,703	(77,680)	(182,691)	33,263
As at December 31, 2019	44,165,100	271,931	21,849	(79,467)	(191,560)	22,753
Stock based compensation expense	-	-	27	-	-	27
Foreign currency translation adjustment	-	-	-	1,240	-	1,240
Net loss	-	-	-	-	(818)	(818)
As at March 31, 2020	44,165,100	271,931	21,876	(78,227)	(192,378)	23,202

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Corporate information:

Reporting entity:

Condor Petroleum Inc. ("Condor" or the "Company") is a publicly traded company, listed on the Toronto Stock Exchange ("TSX") under the symbol "CPI", with activities in the Republic of Turkey ("Turkey") and the Republic of Kazakhstan ("Kazakhstan"). The address of the Company's registered office is 2400, 144 – 4th Ave SW, Calgary, Alberta, Canada, T2P 3N4.

The interim condensed consolidated financial statements (the "financial statements") of the Company as at March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019 comprise the Company and its subsidiaries. The financial statements were approved and authorized for issue on May 13, 2020 by the Board of Directors.

Nature of operations:

The Company has a 100% interest in and operates the Poyraz Ridge and Destan operating licenses and gas fields in Turkey. The Poyraz Ridge and Destan operating licenses are both valid until June 2023 and may be extended upon approval by the competent authority in Turkey until 2035.

The Company has a 100% interest in and operates the Shoba and Taskuduk production contracts and oilfields in Kazakhstan; although both properties are considered as assets and liabilities held for sale as at March 31, 2020 and December 31, 2019 (see Note 2). The Shoba production contract is valid until 2028 and the Taskuduk production contract is valid until 2027.

The Company has a 100% interest in the Zharkamys West 1 exploration contract ("Zharkamys") in Kazakhstan following its reinstatement by the Government of Kazakhstan in February 2020 for an additional 630 days until November 18, 2021.

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 'Interim Financial Reporting'. The financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

The financial statements are reported in Canadian dollars ("CAD") which is the functional currency of the Company. The company's subsidiary in Kazakhstan has a Kazakhstan Tenge ("KZT") functional currency. The company's subsidiary in the Netherlands, which has a branch in Turkey ("Turkey Branch"), has a Turkish Lira ("TRY") functional currency.

The accounting policies used to prepare these financial statements are consistent with the policies at December 31, 2019.

New Accounting Policies: Exploration and evaluation assets

All costs directly related to exploration and evaluation activities for which technical feasibility and commercial viability have yet to be determined are initially capitalized and include costs to acquire and maintain unproved properties, geological, geophysical, drilling, sampling, testing, appraisal and asset retirement. Costs incurred prior to acquiring the legal right to explore an area are charged to earnings.

When an area is determined to be technically feasible and commercially viable, the accumulated costs are tested for impairment and then transferred to oil and gas properties. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to earnings as exploration and evaluation expense. Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest the carrying amount exceeds the recoverable amount. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Significant accounting estimates and judgments

The timely preparation of financial statements requires management to make use of judgments, estimates and assumptions when transactions affecting the current accounting period cannot be finalized until future periods. These estimates will affect assets, liabilities and the disclosure of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. Such estimates are based on informed judgments made by management and actual results could differ from those estimates as future confirming events occur. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include: reserve estimates, impairment, depletion, decommissioning obligations, stock based compensation, income taxes, and other long term assets.

In March 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) outbreak to be a pandemic. For the three months ended March 31, 2020, COVID-19 had an impact on the global economy, including the oil and gas industry. The Company has taken into account the impacts of COVID-19 and the unique circumstances it has created in making estimates, assumptions and judgements in the preparation of the interim consolidated financial statements. Actual results may differ from estimated amounts, and those differences may be material.

2. Assets and liabilities held for sale and discontinued operations:

In September 2019 Condor’s wholly owned subsidiary, Falcon Oil & Gas Ltd (“Falcon”) entered into a binding agreement to sell Falcon’s 100% interests in its Shoba production contract, Taskuduk production contract and associated field equipment for total proceeds of United States dollars (“USD”) 24.6 million (“Sale Agreement”). The buyer (“Buyer”) paid a USD 3.8 million deposit in October 2019 and an additional USD 18.7 million in January 2020.

On April 22, 2020, the Government of Kazakhstan signed the addendums transferring the Shoba and Taskuduk production contracts to the Buyer. Although no further approvals are required, due to the COVID-19 pandemic and related travel restrictions in Kazakhstan, closing of the transaction (“Closing”) has been delayed until the parties are able to conduct the customary Closing and commercial handover procedures. At the request and expense of the Buyer, production was immediately shut in and there will be no further production or sales until Closing has occurred. The Company will continue to manage the properties until Closing.

Of the remaining USD 2.1 million previously due at Closing, the Buyer paid USD 0.6 million in May 2020 and the final payment of USD 1.5 million ("Final Payment") is due upon Closing. The Final Payment will be reduced by an estimated USD 0.8 million for the net revenues minus operating costs from the properties which attribute to the Buyer from the effective date of December 25, 2019 until the Closing date.

The related Shoba and Taskuduk net assets and liabilities have been reclassified to assets and liabilities held for sale following the execution of the Sale Agreement and are comprised of the following:

As at (000's)	**March 31, 2020**	**December 31, 2019**
Property, plant and equipment (Note 4)	17,593	18,620
Other long term assets	133	123
Assets held for sale	17,726	18,743
Other long term liabilities	2,268	2,439
Provisions (Note 6)	659	701
Liabilities held for sale	2,927	3,140
Net assets and liabilities held for sale	14,799	15,603

Financial information relating to the discontinued operations is presented in Note 14.

3. Other current assets:

As at (000's)	**March 31, 2020**	**December 31, 2019**
Current portion of VAT receivables (Note 5)	3,505	3,566
Prepaid expenses	425	577
Restricted bank deposits	-	345
Supplies inventory	271	291
Crude oil inventory	32	51
	4,233	4,830

As of March 31, 2020, the Company reclassified $0.3 million of restricted bank deposits for decommissioning obligations to other long term assets related to Zharkamys.

4. Property, plant and equipment:

(000's)	**Oil and gas properties**	**Other equipment**	**Total**
Cost			
As at December 31, 2018	57,088	1,675	58,763
Capital expenditures	1,753	2	1,755
Right-of-use lease assets	-	147	147
Change in decommissioning costs	384	-	384
Foreign currency translation adjustment	(5,155)	(150)	(5,305)
Reclassified as assets held for sale (Note 2)	(25,713)	-	(25,713)
As at December 31, 2019	28,357	1,674	30,031
Capital expenditures	-	51	51
Right-of-use lease assets	-	15	15
Change in decommissioning costs	149	-	149
Foreign currency translation adjustment	(649)	(38)	(687)
As at March 31, 2020	27,857	1,702	29,559

(000's)	Oil and gas properties	Other equipment	Total
Accumulated depletion, depreciation and impairment			
As at December 31, 2018	(13,861)	(1,494)	(15,355)
Depletion and depreciation	(4,030)	(167)	(4,197)
Impairment	(4,293)	-	(4,293)
Foreign currency translation adjustment	1,589	165	1,754
Reclassified as assets held for sale (Note 2)	7,093	-	7,093
As at December 31, 2019	(13,502)	(1,496)	(14,998)
Depletion and depreciation	(381)	(37)	(418)
Foreign currency translation adjustment	265	28	293
As at March 31, 2020	(13,618)	(1,505)	(15,123)
Net book value			
As at December 31, 2019	14,855	178	15,033
As at March 31, 2020	14,239	197	14,436

Oil and gas properties include field equipment and capital inventory in Kazakhstan of $1.4 million (2019: $1.5 million) which are not subject to depletion and the Poyraz Ridge and Destan gas fields in Turkey.

As an indicator of impairment was noted, the Company tested the property, plant and equipment in Turkey for impairment as of March 31, 2020. The forward commodity prices used to determine future cash flows from the Company's reserves are:

Price in USD	2020	2021	2022	2023	2024	2025	2026	2030
Natural gas price (/Mcf)	7.39	7.54	7.69	7.85	8.00	8.16	8.33	9.01
Condensate price(/barrel)	56.25	56.86	58.12	59.40	60.70	62.04	63.40	69.12

The evaluation of discounted future cash flows was performed using a discount rate of 15% (2019: 15%) and an inflation rate of 2% (2019: 2%), which is used by the Company's independent qualified reserves evaluators in preparing their assessment of reserves. Based on the individual characteristics of the asset, other economic and operating factors are also considered, which may increase or decrease the implied discount rate. No impairment was identified as of March 31, 2020.

5. Other long term assets:

As at (000's)	March 31, 2020	December 31, 2019
Non-current VAT receivables	1,193	1,575
Non-current bank deposits	2,549	2,035
	3,742	3,610

VAT receivables are available for offset against VAT collected on future domestic sales and available for refund related to future export sales. VAT receivables in Kazakhstan are discounted from the expected date of receipt using a discount rate of 7.8% (2019: 8.2%) which estimates the market rate of return on a similar instrument. The total undiscounted VAT receivables, including current portion (Note 3) and non-current portion, amounts to $4.8 million as at March 31, 2020 (2019: $5.4 million).

The non-current bank deposits are substantially all denominated in USD and are invested in special interest bearing accounts comprised of $2.0 million reserved for decommissioning obligations in Kazakhstan and Turkey and $0.5 million related to the Poyraz Ridge pipeline surface access expropriation in Turkey.

6. Provisions:

As at (000's)	**March 31, 2020**	**December 31, 2019**
Beginning non-current portion	2,397	2,775
Increase in liabilities	-	19
Reclassified from current portion	345	-
Change in estimates	127	365
Accretion expense	50	277
Transferred to liabilities held for sale (Note 2)	-	(701)
Foreign currency translation adjustment	(67)	(338)
Ending non-current portion	2,852	2,397
Beginning current portion	345	357
Reclassified to non-current portion	(345)	-
Foreign currency translation adjustment	-	(12)
Ending current portion	-	345

Provisions are comprised of decommissioning obligations which are estimated based on the expected costs to abandon existing wells and facilities and for site restoration along with the estimated timing of future payments. At March 31, 2020 the estimated total undiscounted cash flows required to settle the current and non-current liabilities are $2.9 million (December 31, 2019: $3.2 million), which are expected to be incurred between 2021 and 2030.

The net present value of the decommissioning obligations is calculated with a weighted average inflation rate of 8.7% (December 31, 2019: 7.8%) and risk free discount rate of 9.5% (December 31, 2019: 9.5%).

7. Share Capital

The Company has authorized an unlimited number of common shares without nominal or par value and an unlimited number of first and second preferred shares without nominal or par values. As of March 31, 2020 the number of common shares issued is 44,165,100 (December 31, 2019: 44,165,100).

8. Income (loss) per share:

Per share amounts are calculated using a weighted average number of common shares of 44,165,100 for the three months ended March 31, 2020 (2019: 44,165,100 shares). Outstanding stock options (Note 9) and the outstanding Warrants (Note 9) have been excluded from the calculations of diluted weighted average common shares as to include them would be anti-dilutive.

9. Stock based compensation:

The Company has a stock option plan under which the Board may grant options for the purchase of common shares to directors, officers and employees for up to 10% of the outstanding common shares. The Board establishes the exercise price of options at the date of grant, provided that such price shall not be less than the volume weighted average trading price of the shares on the TSX for the five trading days immediately preceding the date of grant. The options are granted for a term of five years and fully vest after either two or three years from the date of grant. Each outstanding option is exercisable to acquire one common share of the Company.

Details of the stock options outstanding as at March 31, 2020 are as follows:

	Options outstanding		Options vested	
Exercise price	**Number**	**Average remaining life in years**	**Number**	**Average remaining life in years**
$0.22	481,500	4	168,835	3.9
$0.33	100,000	4.5	33,333	4.5
$0.59	1,655,334	2.9	1,128,005	2.9
$1.33	725,000	1.0	725,000	1.0
$1.50	948,000	0.7	948,000	0.8
	3,909,834	2.2	3,003,173	1.8

As of March 31, 2020, there are 3,909,834 stock options outstanding with a weighted average exercise price of $0.90 (December 31, 2019: $0.95). The 3,003,173 options exercisable at March 31, 2020 had a $1.03 weighted average exercise price (December 31, 2019: $1.09).

10. Commitments and contingent liabilities:

Income taxes

The Dutch Tax Authority ("DTA") has issued notices of assessment to New Horizon Energy Netherlands B.V., a wholly owned Company subsidiary based in the Netherlands ("New Horizon") amounting to 4.4 million Euros (equivalent to $6.9 million using March 31, 2020 exchange rate) related to taxation years 2013-2015. New Horizon has filed an objection and the matter is under further review by the DTA. The assessments seek to disallow interest expense deductions related to inter-company loans New Horizon received from Condor and the majority of which were onward loaned to Falcon on a back-to-back basis to fund exploration and development activities in Kazakhstan. The Company expects to resolve these matters with the DTA without incurring any taxes payable.

Work commitments

The contractual work commitments for the next twelve months pursuant to the Shoba and Taskuduk production contracts in Kazakhstan are $2.6 million and will be the responsibility of the Buyer upon Closing the Sale Agreement discussed in Note 2. 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-fulfillment 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 fulfillment 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.

The contractual work commitments for the next twelve months pursuant to the Zharkamys exploration contract in Kazakhstan are $3.4 million and are comprised mainly of drilling two exploration wells. These work commitments may be amended from time to time in accordance with planned exploration and development activities proposed by the Company and approved by the Government of Kazakhstan and additional amounts could be significant. In addition, any exploration period extensions or subsequent development periods may carry additional work commitments, which could be significant. Non-fulfilment of work commitments for Zharkamys could result in punitive actions including the suspension or revocation of the contract and financial work commitment shortfalls may be subject to penalties of 30% of the shortfall.

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

11. Financial risk management:

Credit risk

Credit risk arises from the possibility that a counterparty to which the Company provides goods or services is unable or unwilling to fulfil their obligations.

The Company limits its exposure to credit risk on cash and cash equivalents and bank deposits by depositing and investing in banks with investment grade credit ratings.

Credit risk on trade receivables is related mainly to natural gas marketers and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. During the three months ended March 31, 2020, sales of natural gas and related receivables in Turkey and sales of condensate in Turkey were each sold to one respective customer and are therefore subject to concentration risk (2019: one respective customer). As at March 31, 2020, the one gas marketer in Turkey represented 60% of outstanding trade receivables (December 31, 2019: one gas marketer in Turkey represented 100%).

Credit risk is mitigated by management's policies and practices. In Kazakhstan, sales are generally made on a 100% pre-payment basis although the Company occasionally extends credit to proven and reliable off-takers on small volumes of crude oil, subject to the off-taker adhering to a strict pre-determined short term payment schedule. In Turkey, the Company holds a bank guarantee provided by the buyer of its natural gas amounting to two month's estimated gas sales as security on gas sales receivables. The Company has examined its accounts receivable as at March 31, 2020 and concluded that the amount is valid and collectible.

Other long term assets include Kazakhstan VAT receivables which may be offset against VAT collected on future domestic sales or refunded on future export sales. The Company has not made any provision and considers the amounts to be fully recoverable.

Liquidity risk and capital management

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations and commitments and repaying liabilities as they fall due. The Company requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Kazakhstan and Turkey. The Company has the ability to adjust its capital structure by issuing new equity or debt, disposing of assets and making adjustments to its capital expenditure program to the extent the capital expenditures are not committed.

In January 2020, the Company received USD 18.7 million related to the Sale Agreement (Note 2) and used a portion of the proceeds to repay all outstanding long term borrowings. The non-revolving credit facility and related security was subsequently discharged and the Company currently has no debt.

To manage capital and operating spending, budgets are prepared, monitored regularly and updated as required. The Company also utilizes authorizations for expenditures to manage capital spending.

The cash flows presented in the tables below are the contractual undiscounted cash flows and accordingly certain amounts differ from the amounts included in the statement of financial position. The Company's undiscounted contractual obligations are as follows:

(000's)	**< 1 year**	**1-3 years**	**4-5 years**	**> 5 years**	**Total**
As at March 31, 2020					
Accounts payable and accrued liabilities	3,872	-	-	-	3,872
Lease liabilities	34	-	-	-	34
As at December 31, 2019					
Accounts payable and accrued liabilities	4,714	-	-	-	4,714
Borrowings including interest until maturity	6,909	-	-	-	6,909
Lease liabilities	47	-	-	-	47

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

Foreign currency exchange risk

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 a significant portion of the Company's cash and cash equivalents is held in USD. The Company had no forward exchange rate contracts in place at or during the three months ended March 31, 2020 and 2019.

During the three months ended March 31, 2020, the CAD depreciated from 1.30 per 1 USD to 1.42, the KZT depreciated from 381 per 1 USD to 448, and TRL depreciated from 5.94 per 1 USD to 6.52, which led to a foreign exchange gain of $1.6 million (2019: loss of $0.5 million) related mainly to USD denominated cash and cash equivalents held by the Company.

During the three months ended March 31, 2020, the CAD depreciated from 1.30 per 1 USD to 1.42, the KZT depreciated from 292 per 1 CAD to 318 and TRL depreciated from 4.54 per 1 CAD to 4.62 resulting in a $1.2 million translation gain adjustment through equity (2019: loss of $0.5 million).

Interest rate risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company does not have any debt as at March 31, 2020 and therefore has no current exposure to changes in interest rates, except for interest rates on cash and cash equivalents.

Commodity price risk

The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for petroleum and natural gas are impacted by economic events and factors which are beyond the Company's control. Fluctuations in petroleum and natural gas prices may have a significant effect on the Company's results of operations and cash flows from operating activities and, subsequently, may also affect the value of the oil and gas properties and the level of spending for exploration and development. The majority of the Company's production is sold under short-term contracts, which exposes the Company to the risk of price movements. The Company had no forward price contracts or derivatives in place at or during the three months ended March 31, 2020 and 2019.

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. Despite the decrease in global crude oil prices, Turkish gas prices have remained constant in Turkish Lira and have decreased only 8% to $8.93 as of May 1, 2020 from $9.72 as of January 1, 2020 due to currency exchange fluctuations.

12. Supplementary cash flow information:

The Company received interest income of $0.04 million for the three months ended March 31, 2020 (2019: $0.01 million) and did not pay any income tax in 2019 or 2018.

The following table provides a reconciliation of cash flows arising from financing activities:

Long term borrowings (000's)	
As at December 31, 2018	9,177
Repayment of borrowings	(134)
Interest paid on borrowings	(333)
Non-cash movements	294
As at March 31, 2019	9,004
As at December 31, 2019	6,846
Repayment of borrowings	(6,966)
Interest paid on borrowings	(64)
Non-cash movements	184
As at March 31, 2020	-

13. Segmented information:

The Company has the following operating and reporting segments related to foreign subsidiaries, and presents the following segmented information:

(000's)	**Corporate**	**Kazakhstan**	**Turkey**	**Total**
As at March 31, 2020				
Property, plant and equipment	94	1,071	13,271	14,436
Total assets	18,595	26,017	15,178	59,790
Total liabilities	703	33,351	2,534	36,588
As at December 31, 2019				
Property, plant and equipment	62	1,253	13,718	15,033
Total assets	2,445	27,446	15,594	45,485
Total liabilities	8,202	12,025	2,505	22,732

Segmented information (000's)	**Corporate**	**Kazakhstan**	**Turkey**	**Total**
For the three months ended March 31, 2020				
Exploration and evaluation expenditures	-	286	-	286
Property, plant and equipment expenditures	45	3	3	51
Revenue				
Natural gas sales	-	-	700	700
Condensate sales	-	-	34	34
Royalties	-	-	(95)	(95)
Total revenue	-	-	639	639
Expenses				
Production costs	-	-	260	260
Transportation and selling	-	-	151	151
General and administrative	2,204	432	256	2,892
Depletion and depreciation	29	8	381	418
Stock based compensation	27	-	-	27
Finance income	(150)	-	-	(150)
Finance expense	233	-	-	233
Foreign exchange gain	(1,594)	-	-	(1,594)
Net loss from continuing operations	(749)	(440)	(409)	(1,598)
Net income from discontinued operations	-	780	-	780
Net income (loss)	(749)	340	(409)	(818)
For the three months ended March 31, 2019				
Property, plant and equipment expenditures	-	-	34	34
Revenue				
Natural gas sales	-	-	1,782	1,782
Condensate sales	-	-	99	99
Royalties	-	-	(230)	(230)
Total revenue	-	-	1,651	1,651
Expenses				
Production costs	-	-	284	284
Transportation and selling	-	-	141	141
General and administrative	866	297	244	1,407
Depletion and depreciation	29	14	680	723
Stock based compensation	65	-	-	65
Finance income	(103)	-	-	(103)
Finance expense	554	-	-	554
Foreign exchange loss	531	-	-	531
Net income (loss) from continuing operations	(1,942)	(311)	302	(1,951)
Net income from discontinued operations	-	720	-	720
Net income (loss)	(1,942)	409	302	(1,231)

14. Discontinued operations:

The results of Shoba and Taskuduk operations, previously presented within the Kazakhstan reportable segment, are presented as discontinued operations for all current and prior periods and comprise the following:

For the three months ended March 31	**2020**	**2019**
Revenue		
Crude oil sales	1,650	1,811
Royalties	(21)	(26)
Total revenue	1,629	1,785
Expenses		
Production costs	497	420
General and administrative	65	65
Depletion and depreciation	-	509
Total expenses	(562)	(994)
Finance expense	(70)	(70)
Foreign exchange loss	(217)	(1)
Net income from discontinued operations	**780**	**720**
Basic and diluted net income per share	0.02	0.02

The following table presents the impact on the consolidated statement of comprehensive income (loss) for the three months ended March 31, 2019 due to the reclassification of the Shoba and Taskuduk operations to discontinued operations:

For the three months ended March 31, 2019	**Continuing operations**	**Discontinued operations**	**Combined operations**
Revenue			
Sales	1,881	1,811	3,692
Royalties	(230)	(26)	(256)
Total revenue	1,651	1,785	3,436
Expenses			
Production costs	284	420	704
Transportation and selling	141	-	141
General and administrative	1,407	65	1,472
Depletion and depreciation	723	509	1,232
Stock based compensation	65	-	65
Total expenses	(2,620)	(994)	(3,614)
Finance income	103	-	103
Finance expense	(554)	(70)	(624)
Foreign exchange gain (loss)	(531)	(1)	(532)
Net income (loss)	**(1,951)**	**720**	**(1,231)**
Basic and diluted net loss per share	(0.05)	0.02	(0.03)
Foreign currency translation adjustment	(457)	-	(457)
Comprehensive loss	(2,408)	720	(1,688)

15. Events occurring after the reporting period:

Subsequent to period end, the Government of Kazakhstan executed the addendums to the Shoba and Taskuduk production contracts (see Note 2).