Management's Discussion and Analysis
For the year ended December 31, 2020
Dated March 17, 2021

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, 2020, 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 audited consolidated financial statements for the years ended December 31, 2020 and 2019 ("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 March 17, 2021, the date the Condor Board of Directors approved the Financial Statements and MD&A.

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

NON-GAAP FINANCIAL MEASURES

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

OVERALL PERFORMANCE

Highlights

- The sale of the Shoba and Taskuduk production contracts and associated field equipment was completed in the fourth quarter of 2020. Following the receipt of a portion of the sale proceeds in the first quarter of 2020, Condor fully repaid its non-revolving credit facility ("Credit Facility") and the Company no longer has any debt.
- Despite the ongoing novel coronavirus ("COVID-19") pandemic, discussions continue with the Government of Uzbekistan for the Company to secure an agreement to operate five producing gas fields and associated gathering pipelines and gas treatment infrastructure. In parallel, the Company is pursuing a contract for exploration acreage adjacent to existing producing gas fields.

- In February 2020, the Company received the 630 day extension to the Zharkamys West 1 exploration contract ("Zharkamys Contract") in Kazakhstan. Due to COVID-19 related operational delays, an additional contract extension period is being pursued.
- The Company is in discussions with potential farm-in partners to drill at the Company's wholly owned Zharkamys West 1 territory in Kazakhstan.
- The Company has taken a number of measures to protect the safety and health of its personnel, contractors and suppliers during the COVID-19 pandemic and is well positioned for the challenges of the current business environment, with a cash position of $12.3 million as of December 31, 2020 and no debt.
- The Company has matured two new infill drilling locations for a potential 2021 program to increase production rates in Turkey. Additional workover candidates are also being reviewed.
- For continuing operations, production decreased to an average of 171 boepd for the year ended December 31, 2020 from 266 boepd in 2019, sales decreased to $2.8 million for 2020 from $5.2 million in 2019 and the net loss decreased to $2.1 million for 2020 from $10.1 million in 2019.

Shoba and Taskuduk Sale

The Company entered into a binding agreement to sell its 100% interests in the Shoba production contract, Taskuduk production contract and associated field equipment for total proceeds of USD 24.6 million ("Shoba Sale") in the third quarter of 2019. The transaction required various consents and confirmations from the Government of Kazakhstan and, although delayed due to various COVID-19 travel restrictions, the Shoba Sale was completed on September 9, 2020 and all proceeds have been received.

Production Contract Negotiations with the Government of Uzbekistan

Despite the COVID-19 pandemic and resulting travel restrictions and meeting delays, discussions continued with various Ministries of the Government of Uzbekistan for the Company to secure an agreement to operate five producing gas fields and associated gathering pipelines and gas treatment infrastructure. The Company submitted and presented a detailed feasibility study and economic analysis for the five producing gas fields to the Government of Uzbekistan and an independent reserves volume evaluation has been completed. An environmental baseline study is currently being prepared by an independent contractor. In parallel, the Company is also pursuing the possibility of acquiring exploration acreage adjacent to existing producing gas fields.

If executed, the production contract is expected to include five producing gas fields, associated gathering pipelines, and gas treatment infrastructure. The fiscal and operating terms expected to be defined in the production contract include royalty rates, cost recovery, allocation of profits, gas marketing and pricing, government participation, governance and steering committee structures, baseline production levels and reimbursement methodology.

Continuing operations - Zharkamys Contract

On February 27, 2020, the Company received the 630 day extension to the Zharkamys Contract from the Government of Kazakhstan and holds a 100% working interest in the contract area. Although the work commitments for 2020 included drilling two exploration wells, the Government of Kazakhstan approved the deferral of these work commitments until 2021 due to the impact of COVID-19 on travel and operations. A further contract extension period is also being pursued given the various COVID-19 related delays and restrictions. The contractual work commitments for 2021 are $4.5 million and are comprised mainly of drilling three exploration wells. The Company is also in discussions with potential farm-in partners to drill a multi-well program at Zharkamys.

Continuing operations - Turkey operations

The Company produces natural gas and associated condensate in Turkey. Production decreased to an average of 171 boepd for the year ended December 31, 2020 from 266 boepd in 2019 due mainly to a combination of higher than forecast production rate declines and 42 days of restricted production during the second quarter of 2020 due to a compressor failure at the processing facility. Four workovers were performed to partially mitigate the production declines. The Company has matured two new infill drilling locations for a potential 2021 program to increase production rates. Additional workover candidates are also being reviewed.

The Company received an operating netback[1] on sales in Turkey of $0.7 million or $11.54 per boe for the year ended December 31, 2020 as compared to $2.9 million or $30.84 per boe in 2019 due mainly to decreased gas production, sales volumes, and realized gas prices. Cash used in continuing operations increased to $6.7 million for the year ended December 31, 2020 versus $3.6 million for the same period in 2019.

Subsurface characterization continued on the Yakamoz sub-thrust fold prospect that included reprocessing seismic data and incorporating additional 2D seismic information into a revised geological model. These efforts identified up-dip targets in both the proven Miocene and Upper Eocene reservoirs, in addition to the deeper Middle to lower Eocene reservoirs, which have not yet been tested. The Company previously drilled Yakamoz 1 and encountered numerous gas shows while drilling. 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 is pursuing a farm-in partner for this prospect.

Discontinued operations classification

Following the execution of the Shoba Sale agreement, as of September 30, 2019 the related Shoba and Taskuduk net assets and liabilities were reclassified to assets and liabilities held for sale and the respective results of 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 the Company's Financial Statements.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. Responses to the spread of COVID-19 have resulted in various disruptions to business operations and an increase in economic uncertainty, with more volatile commodity prices and currency exchange rates. The Company is well positioned for the challenges of the current business environment, with a cash position of $12.3 million as of December 31, 2020 and no debt.

SELECTED FINANCIAL INFORMATION OF CONTINUING OPERATIONS

As at, and for the year ended December 31

($000's except per share amounts)	2020	2019	2018
Natural gas and condensate sales	2,780	5,169	11,675
Total revenue	2,429	4,522	10,268
Cash from (used in) continuing operations	(6,666)	(3,570)	3,638
Net loss from continuing operations	(14,936)	(13,870)	(11,658)
Net loss from continuing operations per share (basic and diluted)	(0.34)	(0.31)	(0.26)
Total assets	21,503	45,485	55,455
Total non-current financial liabilities	-	-	7,675

RESULTS OF CONTINUING OPERATIONS

Reserves

The Company's 2020 reserves, all in Turkey, were prepared by independent reserves evaluator McDaniel & Associates Consultants Ltd. (see "Reserves Advisory") and the gross Company reserves as of December 31, 2020 are summarized by volume and net present value (after tax) discounted at 10% ("NPV_{10}") in USD as follows:

Reserves as of December 31, 2020	Gas MMscf	Gas Mboe	NGL Mbbl	Total Mboe	NPV_{10} (After Tax) in USD 000's
Proved	1,605	268	4	272	939
Probable	375	62	1	63	880
Proved plus Probable	1,980	330	5	335	1,819
Possible	798	133	2	135	1,800
Proved plus Probable plus Possible	2,778	463	7	470	3,619

Proved reserves decreased 21% to 272 Mboe as of December 31, 2020 from 344 Mboe as of December 31, 2019 and Proved plus Probable reserves decreased 54% to 335 Mboe as of December 31, 2020 compared to 732 Mboe as of December 31, 2019. The NPV_{10} after tax reserve values decreased 78% for the Proved reserves to USD 0.9 million as of December 31, 2020 from USD 4.3 million as of December 31, 2019 and 83% for the Proved plus Probable reserves to USD 1.8 million in 2020 from USD 10.9 million in 2019. The decrease in reserves is due mainly to: higher than forecast production rate declines at Poyraz Ridge resulting from the highly compartmentalized nature of this field; the existing well inventory is unable to drain the reservoir effectively despite workover efforts intended to increase production rates; the currently planned infill and workover programs are not sufficient to produce the gas volumes of prior year reserve estimates; the lower realized gas prices; and the devaluation of the Turkish Lira compared to USD and CAD.

Production

For the year ended December 31	2020	2019	Change	Change %
Natural gas (Mscf)	371,951	574,511	(202,560)	(35%)
Natural gas (boe)	61,992	95,752	(33,760)	(35%)
Condensate (bbl)	696	1,322	(626)	(47%)
Total production volume (boe)	62,688	97,074	(34,386)	(35%)
Natural gas (Mscfpd)	1,016	1,574	(558)	(35%)
Natural gas (boepd)	169	262	(93)	(35%)
Condensate (bopd)	2	4	(2)	(50%)
Average daily production (boepd)	171	266	(95)	(36%)

Overall production for the year ended December 31, 2020 decreased 35% to 62,688 boe or an average of 171 boepd from 97,074 boe or an average of 266 boepd in 2019 due mainly to a combination of natural declines and 42 days of restricted production during the second quarter of 2020 due to a compressor failure at the processing facility.

Sales and operating netback[1]

For the year ended December 31

	2020			2019		
($000's)	**Gas**	**Condensate**	**Total**	**Gas**	**Condensate**	**Total**
Sales	2,707	73	2,780	5,006	163	5,169
Royalties	(342)	(9)	(351)	(625)	(22)	(647)
Production costs	(1,193)	(14)	(1,207)	(1,204)	(21)	(1,225)
Transportation and selling	(527)	(16)	(543)	(410)	(35)	(445)
Operating netback[1]	645	34	679	2,767	85	2,852
($/boe)						
Sales	46.79	74.04	47.25	55.16	93.46	55.88
Royalties	(5.91)	(9.13)	(5.97)	(6.89)	(12.61)	(6.99)
Production costs	(20.62)	(14.20)	(20.51)	(13.27)	(12.04)	(13.24)
Transportation and selling	(9.11)	(16.23)	(9.23)	(4.52)	(20.07)	(4.81)
Operating netback[1]	11.15	34.48	11.54	30.48	48.74	30.84
Sales volume (boe)	57,851	986	58,837	90,751	1,744	92,495

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 $0.5 million on 12,140 boe or $39.70 per boe for the three months ended December 31, 2020 (2019: $0.9 million on 15,883 boe or $56.35 per boe) and decreased to $2.8 million on 58,837 boe or $47.25 per boe for the year ended December 31, 2020 (2019: $5.2 million on 92,495 boe or $55.88 per boe). Overall sales have decreased for 2020 to date versus the same period in 2019 due mainly to decreased natural gas production and sales volumes, lower realized gas prices and the devaluation of the Turkish Lira compared to USD and CAD.

Operating netbacks decreased to $0.7 million or $11.54 per boe for the year ended December 31, 2020 from $2.9 million or $30.84 per boe in 2019 due mainly to decreased gas production, sales volumes, and realized gas prices, increased per boe production costs due mainly to well workovers, forty two days of restricted production during the second quarter of 2020 related to a refrigeration unit compressor failure at the processing facility and increased transportation costs for trucking compressed natural gas from Destan to the Company's facility at Poyraz Ridge.

Marketing

Natural gas sales in Turkey are domestic sales via pipeline at Turkish Lira denominated 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 produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and is 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 $0.4 million for the year ended December 31, 2020 from $0.6 million for the same period in 2019 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 costs

Overall production costs have remained about the same at $1.2 million for the year ended December 31, 2020. Production costs increased to $20.51 per boe for the year ended December 31, 2020 from $13.24 per boe for the year ended December 31, 2019. Production costs are comprised mainly of non-capital workovers, fuel, personnel, chemicals, water disposal, safety and maintenance costs. Other than workover costs, production costs are substantially fixed and increased per boe in 2020 versus 2019 due mainly to decreased natural gas production volumes and forty two days of restricted production during the second quarter of 2020 related to a refrigeration unit compressor failure at the processing facility as procurement of the required equipment was delayed due to COVID-19 travel restrictions.

Transportation and selling expense

Transportation and selling expense increased to $0.5 million or $9.23 per boe for the year ended December 31, 2020 from $0.4 million or $4.81 per boe for the year ended December 31, 2019 due mainly to the increased transportation costs associated with trucking Destan gas. 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

General and administrative expense is comprised mainly of personnel, professional services, office, and travel costs and have remained approximately the same at $7.1 million for the year ended December 31, 2020, as compared to the same period in 2019, and include costs associated with evaluating and advancing new business development opportunities in Uzbekistan and certain bonuses awarded in February 2020 following the receipt of the majority of the Shoba Sale proceeds.

Depletion, depreciation and impairment expense

Depletion and depreciation expense decreased to $2.0 million for the year ended December 31, 2020 from $2.5 million for the same period in 2019 due mainly to the decreased gas sales volumes.

As an indicator of impairment was noted, the Company tested the property, plant and equipment in Turkey for impairment as of December 31, 2020 and determined that the carrying amount of the Poyraz Ridge and Destan CGU exceeded its recoverable amount of $1.6 million, resulting in an impairment expense of $5.9 million included in depletion, depreciation and impairment expense. Future cash flows for the CGU declined due to lower production volumes and natural gas reserves (see "Reserves" in this MD&A).

Stock based compensation expense

Stock based compensation expense has remained about the same at $0.2 million for the year ended December 31, 2020 compared to the same period in 2019. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income

For the year ended December 31, 2020, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to $0.2 million compared to $0.4 million for the same period in 2019.

Finance expense

Finance expense decreased to $0.6 million for the year ended December 31, 2020 from $2.4 million for the same period in 2019 reflecting the loan repayment by the Company in the first quarter of 2020. 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 year ended December 31, 2020 amounted to $0.2 million compared to loss of $0.6 million for the same period in 2019 due mainly to USD denominated cash and cash equivalents held by the Company. 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 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 2020 and 2019.

RESULTS OF DISCONTINUED OPERATIONS

As noted above, as of the date of signing the Shoba Sale agreement, the results of Shoba and Taskuduk operations, previously presented within the Kazakhstan reportable segment, have been presented as discontinued operations for all current and prior periods. In April 2020, at the request and expense of the Shoba Sale buyer, production was shut in and there was no production or sales thereafter. The transaction was completed on September 9, 2020 and the related net assets and liabilities held for sale have been de-recognized and the gain of $12.1 million on the sale was recognized in 2020.

COVID-19 RISK MANAGEMENT

Condor has offices, activities and operations in various municipalities and rural areas in Canada, the Netherlands, Turkey, Kazakhstan and Uzbekistan. Company personnel are working, stationed and travel to and from these locations as required. Such personnel are exposed to various concentrated groups of people and locations within and outside the Company for varying lengths of time. Any personnel or visitor becoming infected with a serious illness that has the potential to spread rapidly could place the personnel and the operations of the Company at risk. COVID-19 is one example of such an illness. Although the Company takes every precaution to strictly follow industrial hygiene and occupational health guidelines, there can be no assurance that COVID-19 or other infectious illnesses will not negatively impact Condor's personnel or its operations.

The Company monitors the various COVID-19 pandemic recommendations and regulations of applicable government agencies and public health authorities in the countries in which it has activities and commencing in March 2020, has taken a number of measures related to personal hygiene and occupational health designed to protect the health and safety of its personnel, contractors and suppliers. Office personnel have been mainly working remotely and abide by physically distancing and other health guidelines when in the office. For field operations, only essential personnel and contractors are on site, crew shifts have been lengthened and on site working, living, and eating conditions have been adjusted to allow physical distancing to the extent possible. Although strict hygiene practices are in place and all non-essential activities have been postponed, there can be no assurance that COVID-19 or another infectious illness will not negatively impact Condor's personnel or operations.

The COVID-19 pandemic has resulted in, and may continue to result in an unprecedented decreased demand for oil and gas, lower oil and gas prices and various travel restrictions which constrain or prohibit international travel and limit or forbid movement within each country of operation. Condor's future operations could be materially impacted by these factors as well as COVID-19 related emergency measures including, but not limited to: travel restrictions including shelter in place orders, curfews and lockdowns which may impact the timing and ability of Company personnel, suppliers and contractors to travel internationally, travel domestically and to access or deliver services, goods and equipment to the fields of operation; the risk of shutting in or reducing production due to travel restrictions, Government orders, crew illness, and the availability of goods, works and essential services for the fields of operations; decreases in natural gas prices in Turkey; decreases in oil and natural gas prices in Kazakhstan; the potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the timing and ability to meet financial and other reporting deadlines; potential decreased interest in and ability to conclude farm-in transactions, potential decreased ability to raise additional capital to fund current operations and new business projects; and the inherent increased risk of information technology failures and cyber-attacks.

LIQUIDITY AND CAPITAL RESOURCES

In January 2020, the Company received USD 18.7 million of the Shoba Sale proceeds and used a portion 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.

The Company will need to increase production and cash from continuing operating activities, use cash on hand or additional equity and debt financing to fund future operations.

In Turkey, there are no work commitments related to the Poyraz Ridge or Destan operating licenses and depending on the timing and availability of capital including funds from operating activities, the Company may use cash on hand to conduct additional workovers and drill additional wells at Poyraz Ridge in the next twelve months. There are no capital expenditures planned at Destan.

In Kazakhstan, there are work commitments of $4.5 million for the next twelve months related to the Zharkamys exploration contract and are comprised mainly of drilling three exploration wells and depending on the timing and availability of capital including funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements, the Company may use cash on hand to drill additional wells at Zharkamys in the next twelve months.

The Company is seeking a production contract with the Government of Uzbekistan for five fields of interest and, if successful, would require the Company to use a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements.

COMMITMENTS AND CONTINGENT LIABILITIES

The work commitments for the next twelve months pursuant to the Zharkamys exploration contract in Kazakhstan are $4.5 million and are comprised mainly of drilling three 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.

To fund work commitments, the Company may require additional funding by generating positive cash flows from continuing operations, using cash on hand, securing funding from additional debt or equity financing, disposing of assets, obtaining farm-in partners or making other arrangements.

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") related to taxation years 2013-2016. New Horizon has filed an objection and the matter is under further review by the DTA. The Company expects to resolve these matters with the DTA without incurring any taxes payable. For further information relating to the notices of assessment, please refer to the Company's Financial Statements.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2020 and the date of this MD&A there were 44,165,100 common shares of the Company outstanding.

Convertible securities

As at December 31, 2020 and the date of this MD&A, outstanding convertible securities are comprised of 3,984,334 stock options with a weighted average exercise price of $0.69 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 December 31, 2020.

RELATED PARTY TRANSACTIONS

Key management comprises the executive officers and directors of the Company. Key management's compensation was comprised of $1.5 million of salary and benefits (2019: $1.3 million) and stock based compensation of $0.1 million (2019: $0.1 million). In the event of termination or change of control, members of key management (excluding directors) are each entitled to two years' annual compensation.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to December 31, 2020:

For the quarter ended (000's except per share amounts) (3)	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**
Sales	482	1,082	482	734	895	1,097	1,296	1,881
Net loss from continuing operations(1)	(8,948)	(1,634)	(2,756)	(1,598)	(6,926)	(2,933)	(2,243)	(1,951)
Net income (loss) from discontinued operations	(400)	12,421	84	780	1,428	750	872	720
Net income (loss)(1)	(9,348)	10,787	(2,672)	(818)	(5,498)	(2,183)	(1,371)	(1,231)
Net loss from continuing operations per share (1) (2)	(0.21)	(0.03)	(0.06)	(0.04)	(0.14)	(0.07)	(0.05)	(0.05)
Net income (loss) from discontinued operations per share (2)	(0.01)	0.28	0.00	0.02	0.02	0.02	0.02	0.02
Net income (loss) per share (2)	(0.22)	0.25	(0.06)	(0.02)	(0.12)	(0.05)	(0.03)	(0.03)

1 The net loss in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs, depletion, depreciation and impairment expense, foreign exchange

gains and losses and deferred income tax expense/recovery in the respective periods. The net income (loss) amount includes specific significant period items of: $5.9 million impairment expense in Q4 2020; $12.5 million gain on Shoba Sale in Q3 2020; and $4.3 million impairment expense in Q4 2019.

2 Per share amounts are basic and diluted. The Company treats the common shares as either dilutive or anti-dilutive based on net loss from continuing operations. If the common shares are anti-dilutive at this level they are treated as anti-dilutive for all other per share calculations.

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

CRITICAL ACCOUNTING ESTIMATES

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

- Impairment testing: estimates include volumes of recoverable reserves and resources, forward natural gas and condensate prices, future operating and capital costs, production profiles, discount rates, and consequently fair values of properties. A downward revision in the reserve estimates or future forecast prices or an upward revision to future capital costs could result in an asset impairment which would reduce future earnings and the associated net book value of assets;
- Other long term assets: estimates include the timing and amounts of future receipts and payments, discount rates and related cash flows. A change in the timing of cash flows or discount rates may impact earnings (loss) as a result of changes in finance income and expense;
- Depletion: estimates include the amount of reserve volumes and future development capital. A downward revision in the reserve estimates or an upward revision to future capital may result in increased depletion and a reduction in net book value of assets if such a revision results in an accounting impairment. Depletion is charged on a unit-of-production basis over the Proved plus Probable reserves for each cash generating unit and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;
- Decommissioning provisions: estimates include the amount and expected timing of asset retirements, discount and inflation rates and future cash flows. As a result of the long term nature of the Company's operations, these estimates may change over time which may result in a change in the decommissioning provision and corresponding asset value, and impact future earnings (loss) as a result of changes in accretion and depletion expense;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives, forfeiture rates and risk free rates;
- Income taxes: tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income

taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Changes in the estimate of future taxable income and the recovery of deductible temporary differences may result in the recognition of a deferred tax asset on the statement of financial position and an increase in earnings at the time when the tax recovery is recorded.

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. For the year ended December 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 consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

A number of new accounting standards, amendments to accounting standards and interpretations are effective for annual periods beginning on or after January 1, 2021 and have not been applied in preparing the financial statements as of and for the year ended December 31, 2020:

In January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective January 1, 2023 with early adoption permitted. The amendments are required to be adopted retrospectively. The Company is assessing the impact of these amendments on its financial statements.

In May 2020, the IASB issued amendments to IAS 16 "Property, Plant and Equipment" to require proceeds received from selling items produced while the entity is preparing the asset for its intended use to be recognized in net earnings, rather than as a reduction in the cost of the asset. The amendments are effective January 1, 2022 with early adoption permitted. The Company is assessing the impact of these amendments on its financial statements.

In August 2020, IASB issued Interest Rate Benchmark Reform (Phase 2) in response to the Financial Stability Board's mandated reforms to InterBank Offered Rates ("IBORs"), with financial regulators proposing that they be replaced by a number of new local currency denominated alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 1, 2021 and are to be applied retrospectively, with early adoption permitted. The Company is assessing the impact of IBOR reform and the IASB amendments and does not expect that these amendments will have a significant impact on the Company's 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.

The DC&P have been designed to provide reasonable assurance that material information relating to Condor is made known to the CEO and CFO by others and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by Condor under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO are required to cause the Company to disclose any change in the Company's ICFR that occurred during the most recent period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. During the year ended December 31, 2020, there were no changes to the Company's ICFR that have materially affected or are reasonably likely to materially affect, the Company's ICFR. It should be noted that a control system, including the Company's DC&P and ICFR, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system will be met and it should not be expected that DC&P and ICFR will prevent all errors or fraud.

The CEO and CFO have evaluated the Company's DC&P and ICFR as at December 31, 2020 based on the framework in "Internal Control Over Financial Reporting – Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, the CEO and CFO concluded, that the Company's design and operation of DC&P and ICFR were effective as of December 31, 2020.

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 maximum exposure to credit risk at year end is as follows:

Carrying amounts as at December 31 (000's)	**2020**	**2019**
Cash and cash equivalents	12,307	2,935
Trade and other receivables	278	334
Other current financial assets	423	3,911
Other long term assets	3,037	3,610
	16,045	10,790

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 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 December 31, 2020, the one gas marketer in Turkey represented 58% 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 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 December 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 of the Shoba Sale proceeds and used a portion 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 year**	**Total**
As at December 31, 2020			
Accounts payable and accrued liabilities	1,657	-	1,657
Lease liabilities	13	-	13
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 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 years ended December 31, 2020 and 2019.

During the year ended December 31, 2020, the CAD appreciated from 1.30 per 1.00 USD to 1.27, the KZT depreciated from 381.18 per 1.00 USD to 420.71, and TRL depreciated from 5.94 per 1.00 USD to 7.34, which led to a foreign exchange loss of $0.2 million (2019: loss of $0.6 million) related mainly to USD denominated cash and cash equivalents held by the Company.

During the year ended December 31, 2020, the KZT depreciated from 292 per 1.00 CAD to 329 and TRL depreciated from 4.54 per 1.00 CAD to 5.73 resulting in a $3.8 million translation loss adjustment through equity (2018: loss of $2.2 million).

A $0.01 change in the Canadian dollar to U.S. dollar exchange rate at December 31, 2020 would have changed profit or loss by $0.1 million (2019: $0.1 million). This analysis assumes that all other variables, in particular interest rates, remain constant.

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 December 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 years ended December 31, 2020 or 2019.

Natural gas sales in Turkey are domestic sales via pipeline at Turkish Lira denominated 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.

OTHER BUSINESS RISKS

In the normal course of business, the Company is exposed to a variety of risks and uncertainties. In addition to the risks associated with liquidity and capital resources, critical accounting estimates, financial instruments, credit risk and market risk described in this MD&A, the Company is exposed to various operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect future results. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, the ability to attract and retain employees and contractors on a cost-effective basis, commodity and marketing risk and seasonality. The Company is exposed to considerable risks and uncertainties including, but not limited to:

- finding oil and natural gas reserves on an economical basis;
- uncertainties related to estimating the Company's reserves;
- financial risks including access to debt or equity markets which the Company is likely dependent upon in order to fully develop the current properties;
- technical problems which could lead to unsuccessful wells, well blowouts and environmental damage;

- obtaining timely regulatory approvals;
- third party related operational risks including the ability to obtain access to wells, access to third party gathering and processing facilities, access to pipeline, railway and other transportation infrastructure;
- fluctuations in commodity prices, interest rates and foreign currency exchange rates;
- adverse factors including climate, geographical and weather conditions and labour disputes;
- timing of future debt and other obligations;
- potential for prior year tax re-assessments not aligned with previously filled and assessed periods;
- regulatory legislation and policies, including the fulfillment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- changes to taxation policies, laws and interpretations thereof;
- political risks inherent with international activities and doing business in foreign jurisdictions;
- medical and health risks inherent with international activities and doing business in foreign countries including travel bans or travel restrictions;
- obtaining comprehensive and appropriate insurance coverage at reasonable rates;
- obtaining approval for extensions to exploration periods, and, upon commercial discovery, negotiating and signing development contracts; and
- information technology and system risks including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology.

Please see the Company's Annual Information Form, filed on SEDAR (www.sedar.com) for further discussion on these risks.

RESERVES ADVISORY

This MD&A includes information pertaining to the Evaluation of Crude Oil and Natural Gas Reserves as of December 31, 2020 and as of December 31, 2019 prepared by independent reserves evaluator McDaniel & Associates Consultants Ltd. ("McDaniel"). The reports were prepared by qualified reserves evaluators in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and is based on McDaniel pricing effective December 31, 2020 and 2019, respectively. Additional reserve information as required under NI 51-101 is included in the Company's Annual Information Form filed on SEDAR.

Statements relating to reserves are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated. The reserve estimates described herein are estimates only. The actual reserves may be greater or less than those calculated. Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations, probabilistic methods and analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves.

References herein to 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.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than Probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves.

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 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 production contract with the Government of Uzbekistan under favorable terms, or at all, the fields and exploration areas to be included and the terms and conditions including but not limited to royalty rates, cost recovery, profit allocation, gas marketing and pricing, government participation, governance, baseline production levels and reimbursement methodology; 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; the timing and ability to obtain exploration contract, production contract and operating license extensions; the timing and ability to obtain an extension to the Zharkamys Contract due to COVID-19 restrictions; the timing and ability to obtain a farm-in partner for the Zharkamys Contract; the timing and ability to obtain a farm-in partner for the Yakamoz prospect; 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.

This MD&A also includes forward-looking information regarding COVID-19 including, but not limited to: travel restrictions including shelter in place orders, curfews and lockdowns which may impact the timing and ability of Company personnel, suppliers and contractors to travel internationally, travel domestically and to access or deliver services, goods and equipment to the fields of operation; the risk of shutting in or reducing production due to travel restrictions, Government orders, crew illness, and the availability of goods, works and essential services for the fields of operations; decreases in the demand for oil and gas; decreases in natural gas condensate and crude oil prices; potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the timing and ability to execute a production contract with the Government of Uzbekistan; the timing and ability to conclude a farm-in transaction for Zharkamys; the timing and ability to conclude a farm-in transaction for Yakamoz; the timing and ability to obtain an extension to the Zharkamys Contract due to COVID-19 restrictions; the Company's financial condition, results of operations and cash flows; access to capital and borrowings to fund operations and new business projects; the timing and ability to meet financial and other reporting deadlines; and the inherent increased risk of information technology failures and cyber-attacks.

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
Q	Quarter

* 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.