



NEWS RELEASE

AUGUST 14, 2017

CONDOR ANNOUNCES 2017 SECOND QUARTER RESULTS

CALGARY, August 14, 2017 – Condor Petroleum Inc. (“Condor” or the “Company”) (TSX: CPI), a Canadian based oil and gas company focused on exploration and production activities in Turkey and Kazakhstan, is pleased to announce the release of its unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2017, together with the related management’s discussion and analysis. These documents will be made available under Condor’s profile on SEDAR at www.sedar.com and on the Condor website at www.condorpetroleum.com. All financial amounts in this news release are presented in Canadian dollars, unless otherwise stated.

Q2 2017 Highlights

- Construction of the Poyraz Ridge gas processing facility is 98% complete. Construction of the 6” gas sales pipeline is continuing with production expected to commence in the fourth quarter of 2017.
- The Poyraz West 4 development well was drilled to 2,164 meters. The well is currently being completed and will be tied into the processing facilities. No paraffin issues have been encountered on prior tests of this upper Gazhanedere interval.
- The Yakamoz 1 exploration well in Turkey was drilled to a total depth of 2,250 meters and encountered numerous gas shows while drilling, including a gas influx. However, insufficient reservoir-quality pay was encountered at this location and the well was abandoned.
- Production from Shoba and Taskuduk in Kazakhstan averaged 353 bopd for the three months ended June 30, 2017 (2016: nil) despite temporary weather related road bans which constrained production in April 2017. Once the bans were lifted, production averaged 525 bopd during the three months from May to July 2017.
- The Company has referred the Zharkamys exploration contract extension case to the Supreme Court of Kazakhstan. The ongoing court proceedings related to Zharkamys do not affect the Company’s Shoba and Taskuduk oilfields which are each governed by separate production contracts.
- During the first quarter of 2017, the Company established and received funds from a USD 10.0 million secured non-revolving credit facility which bears interest at 14% and matures on January 31, 2020 and issued to the lender a warrant certificate exercisable into one million common shares of Condor at \$2.35 per share on or before January 31, 2020.
- The net loss for the three months ended June 30, 2017 of \$4.1 million (2016: \$3.0 million) includes \$1.3 million of exploration and evaluation expense related to the Yakamoz 1 well drilled in the second quarter

of 2017 and for the six months ended June 30, 2017 of \$64.0 million (2016: \$7.1 million) which includes \$56.6 million of exploration and evaluation expense pertaining to the derecognition of the Zharkamys contract in the first quarter of 2017.

Operations

The Shoba and Taskuduk oilfields in Kazakhstan produced 32,099 barrels of oil or an average of 353 bopd for the three months and 69,747 barrels of oil or an average of 385 bopd for the six months ended June 30, 2017. Production was constrained in April 2017 due to temporary spring break up road bans that limited trucking and once the road bans were lifted, production averaged 525 bopd during the three months from May to July 2017. There was no production in the three or six months ended June 30, 2016.

In Turkey, construction of the Poyraz Ridge gas processing facility is 98% complete. Construction of the 6" gas sales pipeline is 35% complete and progress has been impacted by delays in approvals for portions of the surface right-of-way access rights. Approval of all pipeline surface access rights has now been obtained and construction is continuing. Production is expected to commence in the fourth quarter of 2017 at an initial rate of 10 MMscf/day.

The Poyraz West 4 development well was drilled to 2,164 meters. The well is currently being completed and will be tied into the processing facilities. No paraffin issues have been encountered on prior tests of this upper Gazhanedere interval.

Paraffin mitigating equipment was installed at the Poyraz 3 well and successfully prevented blockage in the tubing string although sustained commercial gas flow rates were not realized from the zone completed. A workover is planned to complete another gas bearing zone.

The Yakamoz 1 exploration well was drilled to a total depth of 2,250 meters and encountered numerous gas shows while drilling, including a gas influx. However, insufficient reservoir-quality pay was encountered at this location and the well was abandoned. The well confirmed that an active petroleum system extends to the north and west of Poyraz Ridge and, as predicted, an extensive fracture system prevails along the Miocene-Eocene sub-thrust trend. In addition, the well has provided critical structural and stratigraphic information that can be tied back to the regional 2D seismic as it relates to trap, reservoir and seal within this fairway. Condor is currently integrating this data into the geological model in order to high grade prospective areas for future 3D seismic and additional exploration drilling along and sub-parallel to this trend and the Yakamoz structure remains prospective.

The net loss for the three months ended June 30, 2017 of \$4.1 million (2016: \$3.0 million) includes \$1.3 million of exploration and evaluation expense related to the Yakamoz 1 well drilled in the second quarter of 2017 and for the six months ended June 30, 2017 of \$64.0 million (2016: \$7.1 million) which includes \$56.6 million of exploration and evaluation expense pertaining to the derecognition of the Zharkamys contract in the first quarter of 2017. Cash used in operations amounted to \$2.4 million for three months ended June 30, 2017 compared to \$2.9 million in the second quarter of 2016. Capital expenditures for the three months ended June 30, 2017 amounted to \$6.3 million (2016: \$2.1 million) and for both periods relates mainly to Poyraz Ridge field development in Turkey.

The Company's Zharkamys exploration contract ("Zharkamys Contract") with the Ministry of Energy of the Government of Kazakhstan ("Ministry") was due to expire on December 14, 2016. Prior to this date, the Kazakhstan Chamber of International Commerce and subsequently the Kazakhstan Civil Court ("Civil Court") confirmed that a force majeure event had occurred which, under Kazakhstan subsurface use law, can be the

basis for the Zharkamys Contract validity period to be extended for a period of 630 days. In May 2017, the Kazakhstan Court of Appeal (“Court of Appeal”), pursuant to the appeal filed by the Ministry, released its ruling dated April 14, 2017 that the force majeure event is not recognized and reversed the decision of the Civil Court. As a result of the Court of Appeal ruling, there is uncertainty regarding the Company’s future legal rights to have the Zharkamys Contract extended and the related exploration and evaluation assets were derecognized.

The Company has referred the case to the Supreme Court of Kazakhstan (“Supreme Court”), the country’s highest legal body. A positive ruling by the Supreme Court to uphold the Civil Court force majeure ruling would likely allow the Company to apply to the Ministry for the 630 day Zharkamys Contract extension. A negative ruling would likely result in the Zharkamys Contract reverting back to the Ministry. The on-going court proceedings do not affect the Company’s production rights for the Shoba and Taskuduk oilfields which are each governed by separate production contracts.

During the first quarter of 2017 the Company established and received funds from a USD 10.0 million secured non-revolving credit facility which bears interest at 14% and matures on January 31, 2020 (“Credit Facility”). Interest for the first year of the Credit Facility is due on January 31, 2018 followed by eight payments of USD 1.25 million of principal plus interest due quarterly in arrears. Condor also issued to the lender a warrant certificate exercisable into one million common shares of Condor at \$2.35 per share on or before January 31, 2020. The loan proceeds are available to fund capital expenditures related to drilling, infrastructure and workovers at Poyraz Ridge and for general corporate purposes.

FORWARD-LOOKING STATEMENTS

Certain statements in this news release 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 news release includes, but is not limited to, information concerning: the timing and ability to develop the gas reserves, construct the required infrastructure and to commence producing and selling gas; the timing and ability to conduct exploration and development operations and activities; the expectations, timing and costs of exploration and development activities; the ability of the drilled wells to become future gas producing wells; uncertainty regarding the Company’s future legal rights to have the Zharkamys Contract extended; the timing of and ability to maintain the Zharkamys Contract; the timing, results and impact of any Supreme Court ruling and the impact, if any, on the Shoba and Taskuduk production contracts; historical production and testing rates may not be indicative of future production rates, capabilities or ultimate recovery; projections and timing with respect to crude oil and gas production; historical oil and gas prices may not be indicative of future oil and gas prices; the timing and ability to obtain various approvals for the Company’s exploration and development activities; the ability to confirm an active petroleum system extends beyond Poyraz Ridge and that a fracture system prevails along the Miocene-Eocene sub-thrust trend; the ability to tie structural and stratigraphic information back to regional seismic; the timing and ability to integrate data into the geological model and high grade prospective areas for future seismic and drilling; the prospectivity of the Yakamoz structure; the timing and ability to apply wax production treatment measures; the timing and ability to obtain future funding on favourable terms; and the timing and ability to access oil and gas pipelines and oil and gas domestic and export sales markets.

Forward-looking statements involve the use of certain assumptions that may not materialize or that may not be accurate and are subject to known and unknown risks and uncertainties and other factors, which may cause

actual results or events to differ materially from those expressed or implied by such information. Condor's operations are also subject to certain other risks and uncertainties inherent with oil and gas operations and additional information on these and other factors that could affect Condor's operations and financial results. These factors are discussed in greater detail under Risk Factors - Risks Relating to the Company in Condor's Annual Information Form, which may be accessed through the SEDAR website (www.sedar.com). The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not undertake any obligation to update or to revise any of the forward-looking information, except as required by applicable law.

ABBREVIATIONS

The following is a summary of abbreviations used in this news release:

bopd	Barrels of oil per day
Q	Quarter
scf	Standard cubic feet
USD	United States dollars
%	Percent

The TSX does not accept responsibility for the adequacy or accuracy of this news release.

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