



## **NEWS RELEASE**

**DECEMBER 20, 2017**

### **CONDOR INITIATES GAS PRODUCTION IN TURKEY**

CALGARY, December 20, 2017 – Condor Petroleum Inc. (“Condor” or the “Company”) (TSX: CPI), a Canadian based oil and gas company focused on production and exploration activities in Turkey and Kazakhstan, is pleased to announce that natural gas production has commenced at the Company’s 100% owned and operated Poyraz Ridge field in Turkey.

Poyraz Ridge gas is currently flowing at restricted rates as final commissioning activities are underway and focused on optimizing the central processing facility’s equipment settings. Downhole chokes are also being installed in select wells whose initial flowing pressures are causing excess cooling/freezing effects across the wellhead valves. Installation of downhole chokes is a common remedy for mitigating cooling/freezing effects in wellhead valves and piping. Commissioning activities and downhole choke installations are expected to be completed in the coming days.

The Poyraz Ridge gas field is located onshore on the Gallipoli peninsula in western Turkey. The Company acquired the property in March of 2016 and have subsequently drilled five wells, designed, procured, constructed and commissioned a 15MMscf/day capacity central processing facility and a six inch 16 km pipeline which is tied into the Turkish natural gas pipeline system.

### **Zharkamys exploration contract**

The court proceedings continue related to the application for an extension of the Zharkamys exploration contract (“Zharkamys Contract”). In December 2017, the Supreme Court of Kazakhstan (“Supreme Court”) released its ruling which overturned the Kazakhstan Civil Court (“Civil Court”) and the Kazakhstan Court of Appeal (“Court of Appeal”) rulings. The case has been referred back to the Civil Court to be heard by a new panel of judges. In their decision, the Supreme Court cited failure by the Civil Court to consult all stakeholders who were affected by the case. The new hearing in Civil Court is expected to take place in the first quarter of 2018 and the Company and the Ministry of Energy of the Government of Kazakhstan (“Ministry”) both retain the right to appeal future court rulings.

The Zharkamys Contract was due to expire on December 14, 2016. Prior to this date, the Kazakhstan Chamber of International Commerce and subsequently the 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 Court of Appeal, pursuant to an appeal filed by the Ministry, released its ruling that the force majeure event was not recognized and reversed the decision of the Civil Court. The Company subsequently referred the case to the Supreme Court.

If the force majeure event is confirmed through the Kazakhstan judicial system, the Company would likely be allowed to apply to the Ministry for the 630 day extension of the Zharkamys Contract. Conversely, if the force majeure event is not recognized, the Zharkamys Contract would likely revert back to the Ministry. The ongoing court proceedings do not affect the Company's production rights for the Shoba and Taskuduk oilfields which are each governed by separate production contracts.

### **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 optimize the facility's processing equipment settings; the timing and ability to install downhole chokes and their effectiveness to mitigate cooling/freezing effects in wellhead valves and piping; the timing and ability to commission the facilities; the timing of future legal hearings related to the Zharkamys contract extension and possible outcomes including the possibility that the term may be extended or, conversely, that the Zharkamys Contract may revert back to the Ministry; the timing and ability to appeal future court rulings; and the timing and ability to obtain contract extensions.

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](http://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:

%	percent
MMscf/	million standard cubic feet per
km	kilometer

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

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