



## **NEWS RELEASE**

**September 24, 2019**

### **Condor to sell Shoba and Taskuduk Oilfields for CA\$32.7 Million**

CALGARY, September 24, 2019 – Condor Petroleum Inc. ("Condor" or the "Company") (TSX:CPI) is pleased to announce that its wholly owned subsidiary, Falcon Oil & Gas Ltd ("Falcon") has entered into a binding agreement ("Sales Agreement") to sell Falcon's 100% interests in the Shoba and Taskuduk production contracts and associated field equipment for US\$24.6 million ("Total Proceeds") which, at the current exchange rate of 1.33 is equivalent to approximately CA\$32.7 million. The Sales Agreement provides for the buyer, a non-listed international oil and gas group ("Buyer") to pay an initial deposit of US\$3.8 million ("Deposit") within 10 business days of signing the Sales Agreement and the remaining amount is due upon closing the transaction.

The CA\$32.7 million equivalent (at current exchange rates) of Total Proceeds equates to: CA\$0.74 per outstanding common share of the Company; CA\$11.90 per barrel based on the gross Company proved plus probable crude oil reserves as of December 31, 2018 less production to June 30, 2019; and CA\$25.11 per barrel based on the gross Company proved crude oil reserves as of December 31, 2018 less production to June 30, 2019. See "Reserves Advisory" below.

The transaction requires various consents from the Government of Kazakhstan and is subject to the satisfaction of certain commercial conditions that are customary for a transaction of this nature. The transaction is expected to close in the first quarter of 2020.

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

## **FORWARD-LOOKING STATEMENTS**

Certain statements and information in this news release constitute forward-looking information under applicable securities legislation. Such statements and information are generally identifiable by the terminology used, such as "anticipate", "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: foreign currency exchange rates, including the Canadian dollar equivalent of Total Proceeds both as of the date of this press release and at the closing of the transaction, which may result in a higher or lower Canadian dollar equivalent of Total Proceeds; the timing and ability to receive the Deposit; the timing and ability to obtain the required consents and satisfy the various governmental and commercial conditions; the timing of the closing of the transaction; the use of proceeds from the transaction, including the repayment of amounts owing under Condor's credit facility; the timing and ability to pursue other growth opportunities; the timing and ability to increase natural gas production in Turkey; possible outcomes regarding the Zharkamys Contract including the possibility that the term may be extended or, conversely, that it may revert back to the Ministry; the

timing and ability to resume exploration activities on the Zharkamys Contract property; the timing and ability to obtain various approvals and conduct the Company's planned exploration and development activities; and related and general business strategies and objectives.

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.

Readers are cautioned that the foregoing list of important factors affecting forward-looking information is not exhaustive. The forward-looking information contained in this news release are made as of the date of this news release 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 news release is expressly qualified by this cautionary statement.

## **RESERVES ADVISORY**

The gross Company proved plus probable crude oil reserves as of December 31, 2018 (2,854 Mbbl) less production to June 30, 2019 (106 Mbbl) amounts to 2,748 Mbbl and the gross Company proved crude oil reserves as of December 31, 2018 (1,408 Mbbl) less production to June 30, 2019 (106 Mbbl) amounts to 1,302 Mbbl.

This news release includes information pertaining to the Evaluation of Crude Oil and Natural Gas Reserves Kazakhstan as of December 31, 2018 prepared by independent reserves evaluator McDaniel & Associates Consultants Ltd. ("McDaniel"). The report was prepared by a qualified reserves evaluator 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 respective McDaniel pricing effective December 31, 2018. 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 and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated. The reserve and resource estimates described herein are estimates only. The actual reserves and resources may be greater or less than those calculated.

Estimates with respect to reserves and resources that may be developed and produced in the future are often based upon volumetric calculations, probabilistic methods and analogy to similar types of reserves and resources, 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 and resources based upon production history will result in variations, which may be material, in the estimated reserves.

"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.

## **ZHARKAMYS CONTRACT**

The Company's Zharkamys Contract 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 an appeal filed by the Ministry, ruled that the force majeure event was not recognized and reversed the decision of the Civil Court. The Company referred the case to the Kazakhstan Supreme Court ("Supreme Court") and in November 2017 the Supreme Court ruling overturned both the Civil Court and the Court of Appeal rulings and referred the case back to the Civil Court for further review by a new panel of judges. In March 2018 the Civil Court ruling confirmed that the force majeure event had occurred. In April 2018 the Ministry appealed the Civil Court ruling and in May 2018 the Court of Appeal upheld the Civil Court ruling that the force majeure event had occurred. The Ministry did not appeal to the Supreme Court within the six months permitted by Kazakhstan law. The Company has submitted an application to the Ministry for the 630 day extension and expects the exploration period to the Zharkamys Contract to be extended during 2019.

## **ABBREVIATIONS**

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

CA\$	Canadian Dollars
US\$	United States Dollars
Mbbl	Thousand barrels of oil

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

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