



NEWS RELEASE

November 10, 2020

CONDOR ANNOUNCES 2020 THIRD QUARTER RESULTS

CALGARY, November 10, 2020 – 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 nine months ended September 30, 2020 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. Readers are invited to review the latest corporate presentation available on the Condor website. All financial amounts in this news release are presented in Canadian dollars, unless otherwise stated.

Q3 2020 Highlights

- On September 9, 2020, the sale of the Shoba and Taskuduk production contracts and associated field equipment was completed for total net proceeds of USD 23.9 million.
- Despite the current 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.
- 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, has a cash position of \$14.6 million as of September 30, 2020, no debt, and positive netbacks from natural gas sales.
- Continuing operations in Turkey to-date have not been materially affected by the COVID-19 pandemic. Production increased to an average of 290 boepd for the third quarter of 2020 from 213 boepd in 2019 due mainly to a two well workover program performed in the second quarter of 2020. Corresponding sales decreased to \$1.082 million for the third quarter of 2020 from \$1.097 million in 2019 and the net loss from continuing operations decreased to \$1.6 million for the third quarter of 2020 from \$2.9 million in 2019.
- Two well workovers were performed in Turkey during October 2020 and the wells are currently cleaning-up.

Shoba and Taskuduk Sale

On September 23, 2019 (“Effective Date”) Condor’s wholly owned subsidiary, Falcon Oil & Gas Ltd entered into a binding agreement to sell its 100% interests in the Shoba production contract, Taskuduk production contract and associated field equipment (“Shoba Sale”) for total proceeds of United States dollars (“USD”) 24.6 million.

As of the Effective Date, the related Shoba and Taskuduk net assets and liabilities were reclassified to assets and liabilities held for sale and 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. The transaction required various consents and confirmations from the Government of Kazakhstan and was completed on September 9, 2020 (“Closing Date”). The related net assets and liabilities held for sale have been de-recognized and the gain on the sale was recognized in the three months ended September 30, 2020.

The buyer (“Shoba Buyer”) had paid USD 23.1 million as of the Closing Date and the total proceeds were reduced by USD 0.7 million as an adjustment to the purchase consideration for the net revenues minus operating costs from the properties which attributed to the Shoba Buyer from December 25, 2019 until the Closing Date. The Shoba Buyer paid an additional USD 0.2 million in September 2020, USD 0.2 million in October 2020 and the remaining USD 0.4 million in November 2020.

Production Contract Negotiations with the Government of Uzbekistan

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. The Company has 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 performed by an independent contractor. In parallel, the Company is also pursuing the possibility of acquiring exploration acreage adjacent to existing producing gas fields. Progress on these initiatives is being made despite the recent COVID-19 related travel restrictions and meeting delays.

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

Natural gas and associated condensate production in Turkey increased to an average of 290 boepd for the three months ended September 30, 2020 from 213 boepd in 2019 due mainly to two workovers performed in the second quarter of 2020 which added new producing intervals in each well. Production decreased to an average of 182 boepd for the nine months ended September 30, 2020 from 292 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. Two additional workovers have been completed in the fourth quarter of 2020 and the wells are currently being cleaned-up. The Company has also matured two new infill drilling locations and is reviewing the timing of this drilling program.

The Company received an operating netback¹ on sales in Turkey of \$0.5 million or \$21.50 per boe for the third quarter of 2020 as compared to \$0.5 million or \$28.32 per boe in 2019 due mainly to lower gas prices as the realized price decreased to \$43.26 per boe in 2020 from \$56.92 in 2019 while production costs decreased to \$9.96 per boe for the third quarter of 2020 from \$17.26 per boe in 2019. Cash used in continuing operations increased to \$1.1 million for the third quarter of 2020 versus \$0.8 million for the same period in 2019.

The Yakamoz 1 side-track well has been matured to a drill-ready state and is targeting 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 2 km into the existing Poyraz Ridge gas plant for processing and onward sales. The Company is reviewing the timing of drilling this well.

Discontinued operations classification

Following the execution of the agreement for the Shoba Sale, 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 news release. For further information relating to discontinued operations, please refer to the Company's Financial Statements.

Selected Financial Results of Continuing Operations

For the three months ended September 30

(\$000's except per share amounts)	2020	2019
Natural gas and condensate sales	1,082	1,097
Cash used in continuing operations	(1,113)	(805)
Net loss from continuing operations	(1,634)	(2,933)
Net loss from continuing operations per share (basic and diluted)	(0.03)	(0.07)
Property, plant and equipment expenditures	-	108

For the nine months ended September 30

(\$000's except per share amounts)		
Natural gas and condensate sales	2,298	4,274
Cash used in continuing operations	(5,135)	(1,526)
Net loss from continuing operations	(5,988)	(7,127)
Net loss from continuing operations per share (basic and diluted)	(0.13)	(0.16)
Property, plant and equipment expenditures	205	218

Sales and operating netback¹

For the three months ended September 30

(\$000's)	2020			2019		
	Gas	Condensate	Total	Gas	Condensate	Total
Sales	1,082	-	1,082	1,033	64	1,097
Royalties	(142)	-	(142)	(131)	(9)	(140)
Production costs	(249)	-	(249)	(312)	(14)	(326)
Transportation and selling	(153)	-	(153)	(81)	(15)	(96)
Operating netback ¹	538	-	538	509	26	535
(\$/boe)						
Sales	43.26	-	43.26	56.92	86.14	58.07
Royalties	(5.68)	-	(5.68)	(7.22)	(12.11)	(7.41)
Production costs	(9.96)	-	(9.96)	(17.19)	(18.84)	(17.26)
Transportation and selling	(6.12)	-	(6.12)	(4.46)	(20.19)	(5.08)
Operating netback ¹	21.50	-	21.50	28.05	35.00	28.32
Sales volume (boe)	25,011	-	25,011	18,149	743	18,892

For the nine months ended September 30

(\$000's)	2020			2019		
	Gas	Condensate	Total	Gas	Condensate	Total
Sales	2,256	42	2,298	4,111	163	4,274
Royalties	(293)	(5)	(298)	(509)	(22)	(531)
Production costs	(848)	(9)	(857)	(849)	(21)	(870)
Transportation and selling	(435)	(9)	(444)	(333)	(35)	(368)
Operating netback ¹	680	19	699	2,420	85	2,505
(\$/boe)						
Sales	48.83	84.34	49.21	54.91	93.46	55.79
Royalties	(6.34)	(10.04)	(6.38)	(6.80)	(12.61)	(6.93)
Production costs	(18.36)	(18.07)	(18.35)	(11.34)	(12.04)	(11.36)
Transportation and selling	(9.42)	(18.07)	(9.51)	(4.45)	(20.07)	(4.80)
Operating netback ¹	14.71	38.16	14.97	32.32	48.74	32.70
Sales volume (boe)	46,199	498	46,697	74,868	1,744	76,612

- 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 news release. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.

Results of Discontinued Operations

As noted above, as of the Effective Date 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 Buyer, production was shut in and there was no production or sales in the three months ended September 30, 2020. 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 \$12.5 million on the sale was recognized in the three months ended September 30, 2020.

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, has a cash position of \$14.6 million as of September 30, 2020, no debt, and positive netbacks from natural gas sales.

Non-GAAP Financial Measures

The Company refers to “operating netback” in this news release, 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 “Financial Results” section of this news release. 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.

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 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 of the production contract 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 a farm-in partner for the Zharkamys Contract; 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 news release 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; and decreases in the demand for oil and gas; decreases in natural gas prices in Turkey.

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 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.

Abbreviations

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

USD	United States dollars
bbl	Barrels of oil
bopd	Barrels of oil per day
boe	Barrels of oil equivalent *
boepd	Barrels of oil equivalent per day
Mscf	Thousand standard cubic feet

* 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.

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

For further information, please contact Don Streu, President and CEO or Sandy Quilty, Vice President of Finance and CFO at 403-201-9694.