**NEWS RELEASE**

**March 21, 2022**

# CONDOR ANNOUNCES 2021 YEAR END RESULTS

CALGARY, March 21, 2022 – 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 Consolidated Financial Statements for the year ended December 31, 2021, 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.

## Highlights

- The Company signed three Memorandum of Understandings ("MoUs") with various Kazakhstan government agencies to construct and operate Kazakhstan's first modular Liquified Natural Gas ("LNG") facility.
- Condor continues to actively pursue an agreement to operate multiple producing gas fields in Uzbekistan and held numerous meetings with government ministries to discuss its proposal during the first quarter of 2022.
- In Q2 2021, the Yakamoz 1 sidetrack well ("Yak 1-ST") was drilled to a total depth of 2430 meters and encountered numerous strong gas shows in three of the four expected gas target intervals. Log data collected while drilling indicates reservoir-quality formations in the intervals where the strong gas shows were observed. The well is currently suspended and awaiting completion.
- In October 2021, the Akshoky North post-salt exploration well ("Aks-1") was drilled to a total depth of 1015 meters. Oil was encountered within a 30-meter interval but was bio-degraded and therefore not commercial.

## LNG Initiatives

The Company continues to mature opportunities to implement proven North American modular LNG technologies and processes in Central Asia to displace diesel fuel usage in the industrial, transportation and power generation sectors. The advantages of implementing modular LNG facilities compared to conventional LNG facilities include the significantly reduced upfront capital costs and construction time, which are especially impactful during periods of increasing diesel prices. The modular LNG plant output can be scaled up to meet continued growth demands. This initiative also serves to reduce Greenhouse Gas ("GHG") emissions as LNG GHGs are significantly lower when compared to diesel fuel.

The Company has signed three MoUs with various Kazakhstan government agencies to construct and operate Kazakhstan's first LNG facility. The MoUs officially confirm and underline the Government's support of the Company's LNG initiative, while serving as the basis to formalize the specific terms and conditions for this investment. Discussions are continuing to reach agreement on feed-gas and LNG end-user volumes, plant locations and fiscal terms. Front-end engineering and design are also underway and expected to be completed in the first quarter of 2022.

**Uzbekistan Production Contract**

The Company continues to actively pursue an agreement to operate multiple producing gas fields in Uzbekistan and held numerous meetings with government ministries to discuss its proposal during the first quarter of 2022. If executed, the production contract could include producing gas fields, associated gathering pipelines and gas treatment infrastructure. The fiscal and operating terms would be defined in the definitive contract and include royalty rates, cost deductibility, gas marketing and pricing, government participation, governance and steering committee structures, baseline production levels and reimbursement methodology.

**Turkey Operations**

In Q2 2021, the Yak 1-ST exploration well on the Yakamoz prospect in Turkey was drilled to a total depth of 2430 meters and encountered numerous strong gas shows in three of the four expected gas target intervals. Log data collected during drilling operations indicates reservoir-quality formations in the intervals where the strong gas shows were observed. A combination of drilling rig mechanical issues and wellbore instability prevented production casing from being set across the target intervals. Casing was cemented to 1380 meters, which is 750 meters above the highest target interval and the well has been suspended temporarily until the required equipment can be procured and the Company is seeking a partner to fund the completion activities including re-entering, casing, and fully evaluating the Yak 1-ST well. If commercial gas flowrates are confirmed, Yak 1-ST gas would be initially trucked to the Company's neighbouring Poyraz Ridge Gas Facility while pipeline tie-in activities are completed.

The Company is encouraged by the initial Yak 1-ST results as it confirmed the presence of both clastic and carbonate reservoirs, an active hydrocarbon system, and gas shows in the deepest Eocene formation, which had not previously been discovered on the Company's licenses. Based on the current data, Yak 1-ST appears to be analogous to the Poyraz West 1-ST well, which has been the most prolific producer in the Poyraz Ridge field.

Natural gas and associated condensate production in Turkey for the year ended December 31, 2021 decreased 65% to 22,095 boe or an average of 61 boepd from 62,688 boe or an average of 171 boepd in 2020 and production for the fourth quarter of 2021 decreased 68% to 4,141 boe or an average of 45 boepd from 12,902 boe or an average of 140 boepd in the fourth quarter of 2020 due mainly to natural declines and poor reservoir performance.

Based on the declining production performance at the Poyraz Ridge and Destan gas fields, cash used in operating activities, and the Company's prevailing development plans, the properties were fully written off as impairment expense during Q2 2021 as the recoverable amount was deemed to be negligible. There are no economic reserves related to the Poyraz Ridge or Destan properties as of December 31, 2021.

However, during the second half of 2021, Turkish gas prices (posted in Turkish Lira and converted in CAD at prevailing exchange rates) increased from $6.12 in June 2021, to $8.93 in September 2021, to $11.74 in December 2021 and to $17.31 in March 2022. These higher realized gas prices resulted in a small but positive operating netback[1] in Q4 2021. The Company also believes it is beneficial to maintain active production operations while efforts continue to complete the Yak 1-ST well.

| Operating Netbacks | 2021 Q4 | 2021 Year | 2020 Q4 | 2020 Year |
|---|---|---|---|---|
| **($000's)** | | | | |
| Sales | 251 | 883 | 482 | 2,780 |
| Royalties | (31) | (115) | (53) | (351) |
| Production costs | (142) | (729) | (350) | (1,207) |
| Transportation and selling | (57) | (281) | (99) | (543) |
| Operating netback [1] | 21 | (242) | (20) | 679 |
| | | | | |
| **($/boe)** | | | | |
| Sales | 63.21 | 44.81 | 39.70 | 47.25 |
| Royalties | (7.81) | (5.84) | (4.37) | (5.97) |
| Production costs | (35.76) | (36.99) | (28.83) | (20.51) |
| Transportation and selling | (14.35) | (14.26) | (8.15) | (9.23) |
| Operating netback [1] | 5.29 | (12.28) | (1.65) | 11.54 |
| | | | | |
| Sales volume (boe) | 3,971 | 19,706 | 12,140 | 58,837 |

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.

**Kazakhstan Operations**

In the fourth quarter of 2021, the Aks-1 post-salt exploration well on the Zharkamys prospect in Kazakhstan was drilled to a total depth of 1015 meters. Oil was encountered within a 30-meter interval but was bio-degraded and therefore non-commercial. The well was plugged and abandoned and all remaining Zharkamys exploration and evaluation assets have been derecognized as of December 31, 2021. The Company has no further development plans at Zharkamys, other than to complete the contractual abandonment and reclamation works in due course. The Zharkamys contract expired on January 18, 2022.

**Selected Financial Information**

**As at, and for the year ended December 31**

| ($000's except per share amounts) | 2021 | 2020 | 2019 |
|---|---|---|---|
| Natural gas and condensate sales | 883 | 2,780 | 5,169 |
| Total revenue | 768 | 2,429 | 4,522 |
| Cash used in continuing operations | (6,100) | (6,666) | (3,570) |
| Net loss from continuing operations | (11,327) | (14,936) | (13,870) |
| Net loss from continuing operations per share (basic and diluted) | (0.26) | (0.34) | (0.31) |
| Capital expenditures | 4,297 | 477 | 152 |
| Total assets | 8,701 | 21,503 | 45,485 |

The Company's ability to realize assets and discharge liabilities in the normal course of business as they become due is dependent upon the ability to fund operations by generating positive cash flows from operations, securing funding from debt or equity financing, disposing of assets or making other arrangements. The Company is actively pursuing various strategies to enhance its liquidity position and those matters are discussed in greater detail in the Company's financial statements and management's discussion and analysis for the year ended December 31, 2021.

**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 "Turkey Operations" 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 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 ability to realize assets and discharge liabilities in the normal course of business as they become due; the timing and ability to reach agreement on modular LNG feed-gas, end-user volumes, plant locations and fiscal terms and to sign definitive agreements under favourable terms, or at all, to construct facilities, produce and deliver LNG in Kazakhstan; 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 expected benefits related to the Company's proposal to the Government of Uzbekistan and the timing and ability to receive feedback and endorsement of the proposal, if at all; the timing and ability to re-enter, case and fully evaluate the Yak 1-ST well and confirm commercial gas flowrates; the timing of and ability to drill new wells, the expected drilling depths, the expected number and location of target formations and the ability of the new wells to become producing wells; the timing and ability to tie the Yakamoz field into the Company's existing gas plant; the timing and ability to pursue other initiatives and commercial opportunities; the ability to realize positive operating netbacks; projections and timing with respect to crude oil, natural gas and condensate production; expected markets, prices, costs; 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; 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; decreases in the demand for oil and gas; and decreases in natural gas, condensate and crude oil prices.

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:

| | |
|---|---|
| boepd | Barrels of oil equivalent per day |
| Mscf | Thousand standard cubic feet |
| 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.

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

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