Management's Discussion and Analysis
For the year ended December 31, 2021
Dated March 21, 2022

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Petroleum Inc. ("Condor" or the "Company") is an international oil and gas company incorporated on October 20, 2006, with activities in the Republic of Kazakhstan ("Kazakhstan") and the Republic of Turkey ("Turkey"). Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2021, is available on SEDAR at: www.sedar.com.

The Company's Management's Discussion and Analysis ("MD&A") which follows should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020 ("Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. This MD&A is dated March 21, 2022, the date the Condor Board of Directors approved the Financial Statements and MD&A.

All financial amounts are in Canadian dollars, unless otherwise stated.

NON-GAAP FINANCIAL MEASURES

The Company refers to "operating netback" in this MD&A, 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 MD&A. 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.

OVERALL PERFORMANCE

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 MD&A. 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 was drilled on the Zharkamys West 1 exploration contract territory ("Zharkamys") in Kazakhstan 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
Revenue (sales less royalties)	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

RESULTS OF OPERATIONS

Production and Reserves

For the year ended December 31	**2021**	**2020**	**Change**	**Change %**
Natural gas (Mscf)	132,109	371,951	(239,842)	(64%)
Natural gas (boe)	22,018	61,992	(39,974)	(64%)
Condensate (bbl)	77	696	(619)	(89%)
Total production volume (boe)	22,095	62,688	(40,593)	(65%)
Natural gas (Mscfpd)	362	1,016	(654)	(64%)
Natural gas (boepd)	60	169	(109)	(64%)
Condensate (bopd)	0.2	2.0	(1.8)	(89%)
Average daily production (boepd)	61	171	(110)	(64%)

Overall production 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 4,099 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 natural declines and poor reservoir performance.

Based on the declining production performance at the Poyraz Ridge and Destan gas fields, negative cash used in operating activities, and the Company's prevailing development plans, indicators of impairment were identified and an impairment test was performed as of June 30, 2021. As a result, the properties were fully written off as impairment expense during the second quarter of 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.

Sales

Total sales decreased to $0.3 million on 3,971 boe or $63.21 per boe for the three months ended December 31, 2021 (2020: $0.5 million on 12,140 boe or $39.70 per boe) and decreased to $0.9 million on 19,706 boe or $44.81 per boe for the year ended December 31, 2021 (2020: $2.8 million on 58,837 boe or $47.25 per boe). Overall sales have decreased to date in 2021 versus the same periods in 2020 due mainly to decreased natural gas production and sales volumes.

Marketing

Natural gas sales in Turkey are domestic sales via pipeline at Turkish Lira denominated prices published monthly by the state-owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales in Turkey is BOTAS Level 2 wholesale tariffs less a marketing differential.

Gas from the neighbouring Destan gas field in Turkey is produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and is marketed along with Poyraz Ridge gas production which is directly tied into the gas plant.

Along with natural gas, the Company produces small amounts of associated condensate in Turkey. The condensate is trucked to a near-by facility for blending, storage and onward sales. The pricing for condensate sales is based on the nearest accessible global free market and determined by a formula provided for under the Petroleum Market Law and published monthly in Turkish Lira by Turkish Petroleum Corporation, the Turkish national oil company.

Royalties

Royalties decreased to $0.1 million for the year ended December 31, 2021 from $0.4 million for the same period in 2020 due mainly to the decrease in gas production and sales volumes in Turkey. The Company is subject to a flat royalty rate in Turkey of 12.5% of natural gas and condensate production.

Production costs

Production costs decreased to $0.7 million for the year ended December 31, 2021 from $1.2 million in 2020 and reflect the lower sales volumes during 2021 versus 2020. Per boe, production costs increased to $36.99 for the year ended December 31, 2021 from $20.51 in 2020 due mainly to the lower production and sales volumes and the planned field shut-in to perform annual scheduled maintenance on the Poyraz Ridge Gas Facility and at the same time allow for pressure build-up tests on the wells which lasted for sixty four days during 2021. Production costs are comprised mainly of non-capital workovers, fuel, personnel, chemicals, water disposal, safety and maintenance costs.

Transportation and selling expenses

Transportation and selling expense decreased to $0.3 million or $14.26 per boe for the year ended December 31, 2021 from $0.5 million or $9.23 per boe for the year ended December 31, 2020. The overall costs decreased due mainly to the decreased gas sales volumes and increased per boe due mainly to a higher proportion of sales in 2021 from the Destan gas field which incurs additional transportation costs. Transportation costs on gas sales are comprised of pipeline transmission fees and compressed natural gas trucking costs on Destan sales and on condensate sales are comprised of trucking, blending, storage and loading costs.

General and administrative expenses

General and administrative expenses are comprised mainly of personnel, professional services, office, and travel costs and decreased to $5.0 million for the year ended December 31, 2021 from $7.1 million for the same period in 2020 due mainly to staff reductions, office downsizing, decreased travel and no bonuses being paid in 2021.

Depletion, depreciation and impairment expenses

Depletion and depreciation expenses decreased to $0.3 million for the year ended December 31, 2021 from $2.0 million for the same period in 2020 due mainly to the decreased gas sales volumes in 2021 and the impairment of the Poyraz Ridge and Destan properties in Turkey.

As the Zharkamys contract expired on January 18, 2022, the Company recorded an impairment of $0.2 million related to the other equipment (2020: nil).

Impairment expenses are comprised of $2.2 million related to the impairment of the Poyraz Ridge and Destan properties in Turkey (2020: $5.9 million) and $0.2 million related to the Zharkamys property in Kazakhstan (2020: nil).

Depletion, depreciation and impairment expenses include changes in the Poyraz Ridge and Destan decommissioning obligations estimates of $0.6 million (2020: nil).

Exploration and evaluation expenses

Exploration and evaluation expenses are comprised of $2.6 million related to the derecognition of the Zharkamys property in Kazakhstan (2020: nil).

Stock based compensation expenses

Stock based compensation expenses have remained approximately the same at $0.2 million for the years ended December 31, 2021 and 2020. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income

For the year ended December 31, 2021, finance income, which includes interest income and accretion of Kazakhstan value added tax ("VAT") receivables, amounted to $0.1 million compared to $0.2 million for the same period in 2020.

Finance expense

Finance expense decreased to $0.2 million for the year ended December 31, 2021 from $0.6 million for the same period in 2020 reflecting the loan repayment by the Company in the first quarter of 2020. Finance expense includes interest expense related to lease liabilities, the impact of VAT receivables discounting, and accretion cost on decommissioning provisions.

Foreign currency exchange gains and losses

The foreign exchange gain for the year ended December 31, 2021 amounted to $0.1 million compared to loss of $0.2 million for the same period in 2020 due mainly to USD denominated cash and cash equivalents held by the Company. The Company is exposed to significant foreign currency risk as the Company's natural gas sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies including

USD, KZT and TRL, and a significant portion of the Company's cash and cash equivalents is held in USD. The Company had no forward exchange rate contracts in place at or during the years ended December 31, 2021 and 2020.

Discontinued operations

In September 2019, a wholly-owned subsidiary of the Company entered into a binding agreement to sell its 100% interests in the Shoba production contract, Taskuduk production contract and associated field equipment. During 2020, the results of Shoba and Taskuduk operations were presented as discontinued operations including the gain on sale which was recognized upon completion of the transaction in the third quarter of 2020.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company will need to increase production and cash from continuing operating activities, use cash on hand or raise additional equity or debt financing to fund future operations.

In Turkey, there are no work commitments related to the Poyraz Ridge operating license, which also includes the Yakamoz prospect, or the Destan operating license. Depending on the timing and availability of capital including funds from operating activities, the Company may use cash on hand to re-enter, case and evaluate the Yak 1-ST well and drill additional wells at Yakamoz in the next twelve months. There are no capital expenditures planned at Poyraz Ridge or Destan.

The Zharkamys contract in Kazakhstan expired in January 2022 and there are no further work commitments.

The Company's Financial Statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business as they become due. At December 31, 2021, the Company had accumulated losses of $204.9 million since inception (December 31, 2020: $193.6 million) and reported a net loss of $11.3 million (2020: $2.1 million) and cash used in operating activities of $6.1 million (2020: $6.4 million) for the year ended December 31, 2021. The Company's working capital balance has decreased from $11.6 million as at December 31, 2020 to $3.0 million as at December 31, 2021. The Company's ability to continue as a going concern is dependent upon its existing working capital and the ability to generate positive cash flows from operations, secure funding from debt or equity financings, dispose of assets or make other arrangements. There is no assurance the Company will be able to generate positive cash flow from operations or to secure funding from debt or equity financings, dispose of assets or complete other arrangements on favourable terms, or at all, which may require the utilization of all remaining working capital and financial resources. These conditions indicate a material uncertainty that may cast significant doubt as to the Company's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities, reported amounts of revenue and expenses, and statement of financial position classifications used that would be necessary were the going concern assumption deemed to be inappropriate. Such adjustments could be material.

The Company is currently seeking a partner to fund the development plan in Turkey which is focused on increasing near term production and cash from operating activities and consists of re-entering, casing and evaluating the Yak 1-ST well and, if successful, tying the Yakamoz field into the Company's existing production and sales facilities and drilling additional production wells. There is no assurance that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

The Company is seeking to produce and deliver LNG to displace diesel fuel usage in Central Asia and is continuing to seek a production contract with the Government of Uzbekistan for five fields of interest which, if successful, would require the Company to use a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements.

COMMITMENTS AND CONTINGENT LIABILITIES

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkey.

The Zharkamys contract in Kazakhstan expired in January 2022 and there are no further work commitments.

The Dutch Tax Authority ("DTA") has issued notices of assessment to New Horizon Energy Netherlands B.V., a wholly-owned Company subsidiary based in the Netherlands ("New Horizon") related to taxation years 2013-2017. New Horizon has filed objections and the matter is under further review by the DTA. The Company expects to resolve these matters with the DTA without incurring any taxes payable. For further information relating to the notices of assessment, please refer to the Company's Financial Statements.

There is a material uncertainty about the Company's ability to continue as a going concern (see "Liquidity, Capital Resources and Going Concern" in this MD&A).

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk arises from the possibility that a counterparty to which the Company provides goods or services is unable or unwilling to fulfil their obligations.

The maximum exposure to credit risk at year end is as follows:

Carrying amounts as at December 31 (000's)	**2021**	**2020**
Cash and cash equivalents	4,623	12,307
Trade and other receivables	119	278
Other current financial assets	-	306
Other long term assets	712	3,037
	5,454	15,928

The Company limits its exposure to credit risk on cash and cash equivalents and bank deposits by depositing and investing in banks with investment grade credit ratings.

Credit risk on trade receivables is related mainly to natural gas marketers, and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. During the year ended December 31, 2021, sales of natural gas and related receivables in Turkey and sales of condensate in Turkey were each sold to one respective customer and are therefore subject to concentration risk (2020: one respective customer). As at December 31, 2021, the one gas marketer in Turkey represented 98% of outstanding trade receivables (December 31, 2020: one gas marketer in Turkey represented 58%).

Credit risk is mitigated by management's policies and practices. In Turkey, the Company holds a bank guarantee provided by the buyer of its natural gas amounting to two month's estimated gas sales as security on gas sales receivables. The Company has examined its accounts receivable as at December 31, 2021 and concluded that the amount is valid and collectible.

Liquidity risk and capital management

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations and commitments and repaying liabilities as they fall due. The Company requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Kazakhstan and Turkey. The Company has the ability to adjust its capital structure by issuing new equity or debt, disposing of assets and making adjustments to its capital expenditure program to the extent the capital expenditures are not committed.

To manage capital and operating spending, budgets are prepared, monitored regularly and updated as required. The Company also utilizes authorizations for expenditures to manage capital spending.

The cash flows presented in the tables below are the contractual undiscounted cash flows and accordingly certain amounts differ from the amounts included in the statement of financial position. The Company's undiscounted contractual obligations are as follows:

(000's)	**< 1 year**	**> 1 year**	**Total**
As at December 31, 2021			
Accounts payable and accrued liabilities	1,701	-	1,701
As at December 31, 2020			
Accounts payable and accrued liabilities	1,657	-	1,657
Lease liabilities	13	-	13

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

Foreign currency exchange risk

The Company is exposed to significant foreign currency risk as the Company's natural gas sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies including USD, KZT and TRL, and a significant portion of the Company's cash and cash equivalents is held in USD. The Company had no forward exchange rate contracts in place at or during the years ended December 31, 2021 and 2020.

During the year ended December 31, 2021, the CAD appreciated from 1.273 per 1.00 USD to 1.267, the KZT depreciated from 420.71 per 1.00 USD to 431.67, and TRL depreciated from 7.34 per 1.00 USD to 12.98, which led to a foreign exchange gain of $0.1 million (2020: loss of $0.2 million) related mainly to USD denominated cash and cash equivalents held by the Company.

During the year ended December 31, 2021, the KZT depreciated from 329 per 1.00 CAD to 337 and TRL depreciated from 5.73 per 1.00 CAD to 10.13 resulting in a $1.3 million translation loss adjustment through equity (2020: loss of $3.8 million).

A $0.01 change in the Canadian dollar to U.S. dollar exchange rate at December 31, 2021 would have changed profit or loss by $0.3 million (2020: $0.1 million). This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company does not have any debt as at December 31, 2021 and therefore has no current exposure to changes in interest rates, except for interest rates on cash and cash equivalents.

Commodity price risk

The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for petroleum and natural gas are impacted by economic events and factors which are beyond the Company's control. Fluctuations in petroleum and natural gas prices may have a significant effect on the Company's results of operations and cash flows from operating activities and, subsequently, may also affect the value of the oil and gas properties and the level of spending for exploration and development. The majority of the Company's production is sold under short-term contracts, which exposes the Company to the risk of price movements. The Company had no forward price contracts or derivatives in place at or during the years ended December 31, 2021 or 2020.

Natural gas sales in Turkey are domestic sales via pipeline at prices published monthly by the state owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales in Turkey is BOTAS Level 2 wholesale tariffs less a marketing differential.

COVID-19 RISK MANAGEMENT

Condor has offices, activities and operations in various municipalities and rural areas in Canada, the Netherlands, Turkey, Kazakhstan and Uzbekistan. Company personnel are stationed and work and travel to and from these locations as required. Such personnel are exposed from time to time to concentrated groups of people at various locations both within and outside the Company's direct control, for varying lengths of time. Any personnel or visitors that become infected with a serious illness that has the potential to spread rapidly throughout the organization could place the personnel and the operations of the Company at risk. COVID-19 is one example of such an illness. Although the Company takes every precaution to strictly follow industrial hygiene and occupational health guidelines, there can be no assurance that COVID-19, or other infectious illnesses will not negatively impact Condor's personnel or its operations.

The Company monitors the various COVID-19 pandemic recommendations and regulations of applicable government agencies and public health authorities in the countries in which it has activities and commencing in March 2020 and has taken a number of measures related to personal hygiene and occupational health designed to protect the health and safety of its personnel, contractors and suppliers. Many office personnel have worked remotely and everyone must abide by the various prevailing physically distancing and other health guidelines when in the office. For field operations, only essential personnel and contractors are allowed on site, crew shifts have been lengthened and on site working, living, and eating conditions have been adjusted to allow physical distancing to the extent possible. Although strict hygiene practices are in place and all non-essential activities have been postponed, there can be no assurance that COVID-19 or another infectious illness will not negatively impact Condor's personnel or operations.

The COVID-19 pandemic has resulted in, and may continue to result in, a decrease in the demand for oil and gas, has led to fluctuating oil and gas prices and the implementation of various travel restrictions which constrain or prohibit international travel and limit or forbid movement within the individual countries of operation. Condor's future operations could be materially impacted by these factors, as well as COVID-19 related emergency measures 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 or 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 illnesses and the availability of goods, works and essential services for the fields of operations; the potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the timing and ability to meet financial and other reporting deadlines; potential decreased interest in and ability to conclude farm-in transactions, potential decreased ability to raise additional capital to fund current operations and new business projects; and the inherent increased risk of information technology failures and cyber-attacks.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2021 and the date of this MD&A there were 45,198,434 common shares of the Company outstanding.

Convertible securities

As at the date of this MD&A, outstanding convertible securities are comprised of 3,736,000 stock options with a weighted average exercise price of $0.53.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at December 31, 2021.

RELATED PARTY TRANSACTIONS

Key management comprises the executive officers and directors of the Company. Key management's compensation was comprised of $0.8 million of salary and benefits (2020: $1.5 million) and stock based compensation of $0.1 million (2020: $0.1 million). In the event of termination or change of control, members of key management (excluding directors) are each entitled to two years' annual compensation.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to December 31, 2021:

For the quarter ended (000's except per share amounts)	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**
Sales	251	47	223	362	482	1,082	482	734
Net loss from continuing operations(1)	(4,770)	(1,251)	(3,727)	(1,579)	(8,948)	(1,634)	(2,756)	(1,598)
Net income (loss) from discontinued operations	-	-	-	-	(400)	12,421	84	780
Net income (loss)(1)	(4,770)	(1,251)	(3,727)	(1,579)	(9,348)	10,787	(2,672)	(818)
Net loss from continuing operations per share (1) (2)	(0.11)	(0.03)	(0.08)	(0.04)	(0.21)	(0.03)	(0.06)	(0.04)
Net income (loss) from discontinued operations per share (2)	-	-	-	-	(0.01)	0.28	0.002	0.02
Net income (loss) per share (2)	(0.11)	(0.03)	(0.08)	(0.04)	(0.22)	0.25	(0.06)	(0.02)

1 The net loss in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs, depletion, depreciation and impairment expense, foreign exchange gains and losses and deferred income tax expense/recovery in the respective periods. The net income (loss) amount includes specific significant period items of: $2.6 million exploration and evaluation expense in Q4 2021; $2.2 million impairment expense in Q2 2021; $5.9 million impairment expense in Q4 2020; and $12.5 million gain on Shoba Sale in Q3 2020.

2 Per share amounts are basic and diluted. The Company treats the common shares as either dilutive or anti-dilutive based on net loss from continuing operations. If the common shares are anti-dilutive at this level they are treated as anti-dilutive for all other per share calculations.

CRITICAL ACCOUNTING ESTIMATES

The timely preparation of financial statements requires management to make use of judgments, estimates and assumptions when transactions affecting the current accounting period cannot be finalized until future periods. These estimates will affect assets, liabilities and the disclosure of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. Such estimates are based on informed judgments made by management. Actual results could differ from those estimates as future confirming events occur. Significant assumptions and estimates about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to the carrying amount of assets and liabilities, in the event that actual results differ from assumptions made, are outlined below.

- Impairment testing: estimates include volumes of recoverable reserves and resources, forward natural gas and condensate prices, future operating, royalty, and capital costs, production profiles, discount rates, and consequently fair values of properties. A downward revision in the reserve estimates or future forecast prices or an upward revision to future capital costs could result in an asset impairment which would reduce future earnings and the associated net book value of assets;
- Depletion: estimates include the amount of reserve volumes and future development capital. A downward revision in the reserve estimates or an upward revision to future capital may result in increased depletion and a reduction in net book value of assets if such a revision results in an accounting impairment. Depletion is charged on a unit-of-production basis over the Proved plus Probable reserves for each cash generating unit and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;
- Exploration and evaluation ("E&E") expenditures: costs associated with acquiring oil and gas licenses and exploratory drilling are accumulated as exploration and evaluation assets pending determination of technical feasibility and commercial viability. Establishment of technical feasibility and commercial viability is subject to judgment and involves management's review of project economics, resource quantities, expected production techniques, production costs and required capital expenditures to develop and extract the underlying resources. Management uses the establishment of commercial reserves within the exploration area as the basis for determining technical feasibility and commercial viability. Upon determination of commercial reserves, E&E assets attributable to those reserves are tested for impairment and reclassified from E&E assets to a separate category within property, plant and equipment referred to as oil and gas properties;
- Identification of Impairment Indicators - E&E: the Company assesses its E&E assets to determine whether any indication of impairment exists at the end of each reporting period. Significant judgment is required in determining whether indicators of impairment exist, including factors and considerations such as the remaining period for which the Company has the right to explore, whether expenditures on further exploration and evaluation of properties are budgeted, whether commercially viable quantities of mineral resources have been discovered or whether data exists to suggest the carrying amount is unlikely to be recovered;
- Decommissioning provisions: estimates include the amount and expected timing of asset retirements, discount and inflation rates and future cash flows. As a result of the long term nature of the Company's operations, these estimates may change over time which may result in a change in the decommissioning provision and corresponding asset value, and impact future earnings (loss) as a result of changes in accretion and depletion expense;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives, forfeiture rates and risk free rates;
- Going concern: estimates include the ability to fund operations by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements;
- Income taxes: tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes

are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Changes in the estimate of future taxable income and the recovery of deductible temporary differences may result in the recognition of a deferred tax asset on the statement of financial position and an increase in earnings at the time when the tax recovery is recorded;

- In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. For the year ended December 31, 2020, COVID-19 had an impact on the global economy, including the oil and gas industry. The Company has taken into account the impacts of COVID-19 and the unique circumstances it has created in making estimates, assumptions and judgements in the preparation of the consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

In January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective January 1, 2023 with early adoption permitted. The amendments are required to be adopted retrospectively. The Company is assessing the impact of these amendments on its financial statements.

In May 2020, the IASB issued amendments to IAS 16 “Property, Plant and Equipment” to require proceeds received from selling items produced while the entity is preparing the asset for its intended use to be recognized in net earnings, rather than as a reduction in the cost of the asset. The amendments are effective January 1, 2022 with early adoption permitted. The Company is assessing the impact of these amendments on its financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer (“CEO”) and Vice President, Finance and Chief Financial Officer (“CFO”) have designed, or caused to be designed under their supervision, disclosure controls and procedures (“DC&P”) and internal controls over financial reporting (“ICFR”) as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS.

The DC&P have been designed to provide reasonable assurance that material information relating to Condor is made known to the CEO and CFO by others and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by Condor under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO are required to cause the Company to disclose any change in the Company's ICFR that occurred during the most recent period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. During the year ended December 31, 2021, there were no changes to the Company's ICFR that have materially affected or are reasonably likely to materially affect, the Company's ICFR. It should be noted that a control system, including the Company's DC&P and ICFR, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system will be met and it should not be expected that DC&P and ICFR will prevent all errors or fraud.

The CEO and CFO have evaluated the Company's DC&P and ICFR as at December 31, 2021 based on the framework in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, the CEO and CFO concluded, that the Company's design and operation of DC&P and ICFR were effective as of December 31, 2021.

OTHER BUSINESS RISKS

In the normal course of business, the Company is exposed to a variety of risks and uncertainties. In addition to the risks associated with liquidity and capital resources, critical accounting estimates, financial instruments, credit risk and market risk described in this MD&A, the Company is exposed to various operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect future results. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, the ability to attract and retain employees and contractors on a cost-effective basis, commodity and marketing risk and seasonality. The Company is exposed to considerable risks and uncertainties including, but not limited to:

- finding oil and natural gas reserves on an economical basis;
- uncertainties related to estimating the Company's reserves;
- financial risks including access to debt or equity markets which the Company is likely dependent upon in order to fully develop the current properties;
- technical problems which could lead to unsuccessful wells, well blowouts and environmental damage;
- obtaining timely regulatory approvals;
- third party related operational risks including the ability to obtain access to wells, access to third party gathering and processing facilities, access to pipeline, railway and other transportation infrastructure;
- fluctuations in commodity prices, interest rates and foreign currency exchange rates;
- adverse factors including climate, geographical and weather conditions and labour disputes;
- timing of future debt and other obligations;
- potential for prior year tax re-assessments not aligned with previously filled and assessed periods;
- regulatory legislation and policies, including the fulfillment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- changes to taxation policies, laws and interpretations thereof;
- political risks inherent with international activities and doing business in foreign jurisdictions;
- medical and health risks inherent with international activities and doing business in foreign countries including travel bans or travel restrictions;
- obtaining comprehensive and appropriate insurance coverage at reasonable rates;
- obtaining approval for extensions to exploration periods, and, upon commercial discovery, negotiating and signing development contracts; and

- information technology and system risks including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology.

Please see the Company's Annual Information Form, filed on SEDAR (www.sedar.com) for further discussion on these risks.

GEOPOLITICAL INSTABILITY

Kazakhstan experienced a period of social and civil unrest in early 2022 and a State of Emergency was declared on January 5, 2022 and lifted on January 19, 2022. Condor wishes to express our condolences to the nation of Kazakhstan and its people for the loss of life during the unrest.

On February 24, 2022, Russia began a military operation in Ukraine and the UN General Assembly overwhelmingly condemned the invasion and has called for Russia to immediately and completely withdraw its troops. The United States, the European Union, the United Kingdom, Canada, Australia, Japan, Switzerland, and other countries have imposed new financial and trade sanctions against Russia, including prohibitions or restrictions from doing business anywhere in the world with listed Russian individuals or companies. The entire Condor team remains deeply saddened by the unfolding humanitarian crisis and wishes to express its sympathy and support for the people who are suffering because of this tragic situation.

To-date these events have not impacted the Company's ability to carry on business, there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel, and the enacted sanctions have not affected the Company's business. The outcome of these events is uncertain at this time and may impact the peace and stability of the region and the world and could affect the global economy including regions and markets in which the Company operates. Any subsequent oil and gas supply shortages or volatile commodity prices could have adverse impacts on the world economy and the Company's business. If these events continue, re-occur or escalate, they could have a material adverse effect on Condor's business, financial condition or results of operations.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A 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 MD&A includes, but is not limited to, information concerning: the ability to continue as a going concern; 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; projections relating to the adequacy of the Company's provision for taxes; the timing and ability to collect VAT; treatment under governmental regulatory regimes and tax laws; and the impact, if any, of the geopolitical instability events on Condor's business, financial condition or results of operations.

This MD&A 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; decreases in natural gas, condensate and crude oil prices; potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the ability to continue as a going concern; the timing and ability to construct facilities, produce and deliver LNG in Kazakhstan; the timing and ability to execute a production contract with the Government of Uzbekistan; the Company's financial condition, results of operations and cash flows; access to capital and borrowings to fund operations and new business projects; the timing and ability to meet financial and other reporting deadlines; and the inherent increased risk of information technology failures and cyber-attacks.

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 MD&A are made as of the date of this MD&A 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 MD&A is expressly qualified by this cautionary statement.

ABBREVIATIONS

The following is a summary of abbreviations used in this MD&A:

bbl	Barrels of oil
bopd	Barrels of oil per day
boe	Barrels of oil equivalent *
boepd	Barrels of oil equivalent per day
M	Thousands
scf	Standard cubic feet
scfpd	Standard cubic feet per day
CAD	Canadian dollars
KZT	Kazakhstan tenge
TRL	Turkish lira
USD	United States dollars
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.