



NEWS RELEASE

May 12, 2022

CONDOR ANNOUNCES 2022 FIRST QUARTER RESULTS

CALGARY, May 12, 2022 – Condor Petroleum Inc. (“Condor” or the “Company”) (TSX: CPI), a Canadian based energy company with activities in Turkey and Kazakhstan, is pleased to announce the release of its unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 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 several Memorandum of Understandings (“MoUs”) with various Kazakhstan government agencies to construct and operate Kazakhstan’s first modular Liquefied Natural Gas (“LNG”) facility. Discussions are ongoing to reach agreement on feed-gas and LNG end-user delivered volumes, plant locations and fiscal terms.
- Front-end engineering and design work has been completed for the Phase 1A LNG facility to produce 125,000 gallons of LNG per day.
- The Company expects to begin drilling the Poyraz P-7 infill well in May 2022 and commence gas production in early Q3 2022 in order to take advantage of strong Turkish gas prices of \$23.95 per Mscf as of May 1, 2022 (posted in Turkish Lira and converted in CAD at prevailing exchange rates).
- Condor continues to actively pursue an agreement to operate multiple producing gas fields in Uzbekistan and has held numerous meetings during 2022 with various government ministries to discuss the proposed project.

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 times, 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 GHG emissions are significantly lower compared to diesel fuel GHG emissions.

Discussions are ongoing to reach agreement on feed-gas and LNG end-user delivered volumes, plant locations and fiscal terms. Front-end engineering and design work has been completed for the Phase 1A LNG facility to produce 125,000 gallons per day, primarily for mining haul trucks. Detailed engineering will commence shortly. The Company has signed several MoUs with various Kazakhstan government agencies which demonstrate the Government’s support of the Company’s LNG initiative and serve as the basis to formalize the specific terms and conditions for this investment.

Turkey Operations

Turkish gas prices, which are posted in Turkish Lira and converted in CAD at prevailing exchange rates, have continued their strong escalation from \$6.39/Mscf as of May 1, 2021; to \$16.21/Mscf as of January 1, 2022; to \$23.95/Mscf as of May 1, 2022; an increase of 48% year to date and 275% year on year. Despite a competitive market, the Company successfully contracted a drilling rig for the Poyraz P-7 infill well. Drilling is expected to commence in May 2022 and production in early Q3 2022. The P-7 well is designed to intersect five sand intervals that have produced on offsetting wells and two deeper sand intervals not previously tested. A second Poyraz infill well has been matured and could be drilled at a later date.

Gas production for the first quarter of 2022 decreased 69% to 3,001 boe or an average of 33 boepd from 9,676 boe or an average of 108 boepd for the first quarter of 2021 due mainly to natural declines and a field unit compressor failure during 2022. Restricted production continues while waiting on the compressor to be repaired. The Company produced 42 barrels of condensate in the first quarter of 2021 and none in 2022.

Uzbekistan Production Contract

The Company continues to actively pursue an agreement to operate multiple producing gas fields in Uzbekistan and has held numerous meetings during 2022 with various government ministries to discuss the proposed project. 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.

Sales and operating netback¹ for the three months ended March 31

	2022	2021	2021	2021
	Gas and Total	Gas	Condensate	Total
(000's)				
Sales	260	351	11	362
Royalties	(34)	(46)	(1)	(47)
Production costs	(151)	(217)	(1)	(218)
Transportation and selling	(26)	(106)	(2)	(108)
Operating netback ¹	49	(18)	7	(11)
(\$/boe)				
Sales	95.48	40.80	91.67	41.50
Royalties	(12.49)	(5.35)	(8.33)	(5.39)
Production costs	(55.45)	(25.22)	(8.33)	(24.99)
Transportation and selling	(9.55)	(12.29)	(19.17)	(12.38)
Operating netback ¹	17.99	(2.06)	55.84	(1.26)
Sales volume (boe)	2,723	8,603	120	8,723

- 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.

Selected Financial Information

For the three months ended March 31

(\$000's except per share amounts)	2022	2021
Natural gas and condensate sales	260	362
Revenue (sales less royalties)	226	315
Cash used in operations	(1,245)	(2,194)
Net loss	(1,385)	(1,579)
Net loss per share (basic and diluted)	(0.03)	(0.04)
Capital expenditures	-	-

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 three months ended March 31, 2022.

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 drill the P-7 well and to the timing and ability to commence production, 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.

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:

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.