



NEWS RELEASE

May 11, 2023

CONDOR ANNOUNCES 2023 FIRST QUARTER RESULTS

CALGARY, May 11, 2023 – Condor Energies Inc. (“Condor” or the “Company”) (TSX: CDR), a Canadian based energy transition company with activities in Turkiye and Kazakhstan, is pleased to announce the release of its unaudited interim condensed consolidated financial statements for the three months ended March 31, 2023 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.condorenergies.ca. 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 is awaiting final approval from the Government of Kazakhstan for its 95% working interest in a lithium brine mining license in Kazakhstan. Procurement and contracting of long-lead equipment for 2023 drilling activities continues.
- Natural gas production in Turkiye increased 3% in the first quarter of 2023 to 18,536 Mcf or an average of 206 Mcf/d from 18,003 Mcf or an average of 200 Mcf/d for the first quarter of 2022.
- The Company continues to actively pursue an agreement to operate multiple mid-sized existing natural gas fields in Uzbekistan.
- In Kazakhstan, activities are ongoing to secure a long-term LNG feed gas supply contract.

Lithium License Acquisition

The Company is awaiting final approval from the Government of Kazakhstan for its 95% working interest in a lithium brine mining license in Kazakhstan (the “Lithium License”). A prior well drilled in the Lithium License for hydrocarbon exploration encountered and tested lithium brine deposits with lithium concentrations of up to 130 milligrams per litre as reported by the Ministry of Geology of the Republic of Kazakhstan. Title transfer for the License is expected to be completed in the second quarter of 2023.

The Lithium License provides subsurface exploration rights for solid minerals until April 3, 2025. Within the 6800-hectare Lithium License area, a well drilled in 1975 flow tested multiple horizons and discovered lithium concentrations in the Devonian-aged and Carboniferous-aged intervals. Based on wireline logs, the tested Devonian sand interval is 70 meters and the tested Carboniferous sand interval is 118 meters. The untested Devonian and Carboniferous sand intervals provide an additional 863 meters of lithium brine potential.

During 2023, the Company plans to drill and test up to two wells to confirm the lateral extension and lithium concentrations in the tested and untested intervals, well deliverability rates, conduct preliminary engineering for the production facilities, and prepare a National Instrument 43-101 compliant mineral resources or mineral reserves report. Procurement and contracting of long-lead equipment for these drilling activities is underway.

The Company intends to produce the lithium by utilizing closed-looped Direct Lithium Extraction (“DLE”) technologies. With the lithium already in brine solution and applying existing DLE production technologies, the Company expects to have a much smaller environmental footprint than existing lithium production operations. Furthermore, the Company is evaluating the construction of a solar power generation project to support the long-term expansion of the project to achieve net-zero emissions. Also, given that the Company’s Lithium License is not associated with legacy oil wells, a less complex and capital intensive DLE technology is envisioned for separation of lithium from the brine.

Turkiye Operations

Gas production for the first quarter of 2023 increased 3% to 18,536 Mcf or an average of 206 Mcf/d from 18,003 Mcf or an average of 200 Mcf/d for the first quarter of 2022. The Poyraz Ridge field has been producing for over five years and water production is increasing which requires additional well workovers to help mitigate its impact along with natural pressure declines. Artificial lift equipment recently installed on select wells has contributed to the above noted increased gas rates and additional wells are being evaluated for future artificial lift applications.

Posted Turkish gas prices for the first quarter of 2023 averaged \$28.60 per Mcf as compared to \$16.36 per Mcf in the first quarter of 2022, in Canadian dollar terms, but have decreased to \$19.04 per Mcf as of May 1, 2023.

The Company is seeking a partner to fund development plans at the Yakamoz field, which is located 2 km north of the existing Poyraz Ridge field. The Company was encouraged with the results from the previously drilled Yak 1-ST, as it encountered numerous strong gas shows while confirming reservoir-quality formations and an active hydrocarbon system and, despite being temporarily suspended, casing pressure has built up at the surface, indicating a gas presence. Development of the Yakamoz field would consist of re-entering, casing and fully evaluating the Yak 1-ST well, drilling the Yak-2 well and additional production wells as required. If successful, the Yakamoz field would be tied by pipeline into the Poyraz Ridge production and sales facilities.

General elections are scheduled to take place in Turkiye on May 14, 2023 comprising Presidential elections to select the President and parliamentary elections to select Members of Parliament to the Grand National Assembly. The previous general election in Turkiye was conducted in 2018.

Uzbekistan Production Contract and LNG Strategy

The Company continues to actively pursue an agreement to operate multiple mid-sized existing natural gas fields in Uzbekistan to optimize production and increase domestic gas supply by utilizing modern production technologies and techniques. The agreement is expected to include eight producing gas fields, associated gathering pipelines, gas treatment infrastructure and the rights to explore and develop certain exploration areas surrounding the respective gas fields.

In addition, the Company has presented a proposal to the Government of Uzbekistan to use a portion of the increased gas production for LNG feedstock and provide the resulting LNG to mining operators and other users to displace diesel fuel usage. The Company's LNG strategy in Uzbekistan would create a vertically integrated business with self-sufficient gas supply and by replacing expensive diesel with cleaner and cheaper LNG, decrease the mines operating costs, reduce the country's dependency on diesel imports, and positively impact the country's carbon reduction efforts by reducing overall carbon emissions.

LNG Initiatives in Kazakhstan

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. Kazakhstan is experiencing a natural gas shortage as internal demand continues to increase without sufficient new gas field development, which is impacting the Company's ability to secure a long-term LNG feedstock gas supply contract.

Front-end engineering for a 125,000 gallons per day modular LNG facility has been completed. Design on a scaled down trailer-mounted version is also underway to utilize feed gas supplied from stranded gas assets that aren't commercially viable due to pipeline infrastructure costs or from the associated gas from producing crude oil fields. The potential to profitably generate LNG at feed gas site locations is one of the many advantages that the Company's LNG approach provides.

RESULTS OF OPERATIONS

Production

For the three months ended March 31	2023	2022	Change	Change %
Natural gas (Mcf)	18,536	18,003	533	3%
Natural gas (Mcf per day)	206	200	6	3%

Natural gas production increased 3% to 18,536 Mcf or an average of 206 Mcf per day for the three months ended March 31, 2023 from 18,003 Mcf or an average of 200 Mcf per day in the same period in 2022 due mainly to the ongoing workover program that is offsetting increased water production and natural pressure declines. The Company also produced 10 barrels of condensate in the three months ended March 31, 2023 (2022: nil).

Operating netback

For the three months ended March 31

Operating netback ¹	2023			2022
	Gas	Condensate	Total ²	Gas and Total ²
(000's)				
Sales	396	15	411	260
Royalties	(57)	(2)	(59)	(34)
Production costs	(228)	(10)	(238)	(151)
Transportation and selling	(7)	(3)	(10)	(26)
Operating netback ¹	104	-	104	49
	(Mcf)	(bbl)		(Mcf)
Sales volume	15,556	118		16,335
	(\$/Mcf)	(\$/bbl)		(\$/Mcf)
Sales	25.46	126.95		15.92
Royalties	(3.66)	(16.93)		(2.08)
Production costs	(14.66)	(84.63)		(9.24)
Transportation and selling	(0.45)	(25.39)		(1.59)
Operating netback ¹	6.69	-		3.01

- 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.
- 2 Per unit measures are not presented for Total amounts and analysis is considered more meaningful presented separately for natural gas and condensate.

The operating netback on natural gas sales increased to \$0.1 million or an average of \$6.69 per Mcf for the three months ended March 31, 2023 from \$0.05 million or an average of \$3.01 per Mcf in the same period in 2022 due mainly to higher natural gas prices, partially offset by higher production costs which includes \$0.1 million related to the workovers conducted in the first quarter of 2023.

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 Mcf basis for natural gas and on a per barrel basis for condensate. The reconciliation of this non-GAAP measure is presented in the "Operating netback" 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 unit basis and the Company's 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”, “intend”, “expect”, “plan”, “estimate”, “budget”, “schedule”, “may”, “will”, “could”, “would”, “continue”, “pursue”, “prepare”, “envision”, “project”, “potential” or other similar wording. Forward-looking information in this news release includes, but is not limited to, information concerning: the timing and ability to execute the Company’s growth and sustainability strategies; the timing and ability to obtain the approvals required from the Government of Kazakhstan and complete the Lithium License title transfer; the potential for the Lithium License area to contain commercial deposits; future lithium testing results; the timing and ability to fund, permit and complete the planned drilling activities including drilling up to two additional wells and conduct preliminary engineering for the production facilities; the timing and ability to optimize the planned method for direct lithium extraction; the timing and ability of the untested Devonian and Carboniferous sand intervals to provide additional lithium brine potential; the timing and ability to generate a NI 43-101 compliant report; the Company’s ability to procure and contract long-lead equipment; the timing and ability to produce the lithium by utilizing closed-looped DLE production technologies; the timing and ability to have a much smaller environmental footprint than existing lithium production operations; the timing and ability to evaluate the construction of a solar power generation project to support the long-term expansion of the project to achieve net-zero emissions; the timing and ability to conduct future drilling, workover and optimization activities the timing and ability to perform additional well workovers including installing artificial lift equipment in existing wells; the timing and ability of the well workovers to help mitigate water production and natural pressure declines; the timing and ability to resume production at Destan; the Company’s ability to secure a partner to fund development at the Yakamoz field; the timing and ability to re-enter, case and fully evaluate the Yakamoz structure; the timing of and ability to drill new wells and the ability of the new wells to become producing wells; the ability of the surface casing pressure build up at Yak 1-ST well to indicate a gas presence; the timing and ability to tie the Yakamoz field into the Company’s existing gas plant; the timing and result of the Turkiye elections on May 14, 2023; the result and timing of negotiation with the Government of Kazakhstan regarding the construction and operation of modular LNG facilities; the timing and ability to secure long-term LNG feedstock gas supply contracts under favourable terms, or at all; the potential to profitably generate LNG at feed gas site locations; the impact of declining gas production and increased demand for natural gas in Uzbekistan; the timing and ability to operate gas fields, optimize production, increase domestic gas supply, and utilize modern western production techniques and methods in Uzbekistan; the timing and ability to increase gas production, use a portion of the incremental gas for LNG feedstock, provide LNG to mining operators and other users to displace diesel fuel usage; the timing and ability to create a vertically integrated business with self-sufficient gas supply and replace diesel fuel with LNG; the timing and ability to decrease the mines operating costs, reduce Uzbekistan’s dependency on diesel imports, and positively impact the country’s carbon reduction efforts by reducing overall carbon emissions; the timing and ability to utilize western technologies and improve operational practices to increase production and profitability in Uzbekistan; the timing and ability to execute a production contract with the Government of Uzbekistan under favourable terms, or at all, the 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 timing and ability to pursue other initiatives and commercial opportunities; projections and timing with respect to 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 favourable terms, if at all; general business strategies and objectives; the timing and ability to obtain exploration contract, production contract and operating license extensions; 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-fulfilment of work commitments; projections relating to the adequacy of the Company's provision for taxes; and treatment under governmental regulatory regimes and tax laws.

This news release also includes forward-looking information regarding health risk management 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 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; factors affecting the Lithium License Seller's ability to transfer the title of the Lithium License to Condor; prior lithium testing results may not be indicative of future testing results or actual results; imprecision of reserves estimates and ultimate recovery of reserves; the effectiveness of lithium mining and production methods including DLE technology; 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 labour 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:

M	Thousands
MM	Millions
Mcf	Thousands of standard cubic feet
Mcf/d	Thousands of standard cubic feet per day
bbl	Barrels
CAD	Canadian dollars
KZT	Kazakhstan tenge
TRL	Turkish lira
USD	United States dollars
Q	Quarter
LNG	Liquefied natural gas

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.