NEWS RELEASE

August 14, 2023

CONDOR ANNOUNCES 2023 SECOND QUARTER RESULTS

CALGARY, August 14, 2023 – Condor Energies Inc. ("Condor" or the "Company") (TSX: CDR), an internationally focused 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 and six months ended June 30, 2023 together with the related management's discussion and analysis. These documents will be made available under Condor's profile on SEDAR+ at www.sedarplus.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

- In July 2023, the Government of Kazakhstan awarded Condor a 100% working interest in a contiguous 37,300-hectare lithium brine mining license in Kazakhstan for a six-year term.
- The Company is awaiting final approval from the Government of Kazakhstan for its 95% working interest in a separate lithium brine mining license in Kazakhstan.
- In June 2023, the Company established a USD 5.9 million (CAD 7.8 million) three-year term loan facility that bears interest at 9.0% per annum and is available for working capital requirements and general corporate purposes.
- The Company continues with final negotiations and approval of the definitive legal documents for a production redevelopment project to assume full operations of eight existing gas-condensate fields in Uzbekistan.
- In Kazakhstan, discussions are ongoing to secure a long-term LNG feed gas supply contract.

Lithium Licenses in Kazakhstan

In July 2023, the Government of Kazakhstan awarded Condor a contiguous 37,300-hectare lithium brine mining license in Kazakhstan (the "First Lithium License"). The Company holds a 100% working interest in the First Lithium License which provides the subsurface exploration rights for solid minerals for a six-year term.

A prior well drilled in the First Lithium License for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of 67 milligrams per litre in Carboniferous-aged intervals as reported by the Ministry of Geology of the Republic of Kazakhstan. A 670-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. This well also penetrated the very top of the Devonian-aged sediments and reservoir sands were encountered but not tested.

As previously disclosed, Condor has also entered into a binding sale and purchase agreement for a separate lithium brine mining license (the “Second Lithium License”) with a state-owned entity (the “Seller”). A prior well drilled in the Second Lithium License for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of up to 130 milligrams per litre in Devonian and Carboniferous-aged intervals as reported by the Ministry of Geology of the Republic of Kazakhstan. A 1000-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. Condor will hold a 95% working interest in the Second Lithium License and operate and be responsible for funding all activities while the Seller will maintain a 5% carried working interest. The Second Lithium License was originally assigned to the Seller on April 3, 2019 and provides the subsurface exploration rights for solid minerals on a contiguous 6,800-hectare area for a six-year term. The Company is awaiting final approval from the Government of Kazakhstan for the Second Lithium License.

The First and Second Lithium Licenses are strategically located between Europe and China, providing direct access to existing and robust lithium markets. The Company intends to produce the lithium by utilizing closed-looped Direct Lithium Extraction (“DLE”) technologies. Given that the Company’s Lithium Licenses are not associated with legacy oil wells nor any reported presence of hydrogen sulphide, a less complex and less capital intensive modular DLE technology is envisioned for the separation of lithium from the brine when compared with lithium extraction projects targeting oilfield brines. By applying proven DLE production technologies, the Company expects to have a much smaller environmental footprint than existing lithium production operations which use open-pit mining or brine evaporation ponds. The Company is also evaluating the construction of a renewable power generation project to achieve net-zero emissions for its lithium production.

The Company’s initial development plan over the next twelve months includes drilling and testing two wells to verify deliverability rates, confirm the lateral extension and concentrations of lithium in the tested and untested intervals, conduct preliminary engineering for the production facilities, and prepare a mineral resources or mineral reserves report compliant with National Instrument 43-101 (“NI 43-101”) Standards of Disclosure for Mineral Projects (the “Mineral Report”). Procurement of long-lead equipment and contracting a drilling rig is underway.

New 9.0% Loan Facility Established

On June 30, 2023, the Company established a USD 5.9 million (CAD 7.8 million) three-year term loan facility (“Loan Facility”) that bears interest at 9.0% per annum. The Loan Facility is unsecured, non-revolving, requires quarterly interest payments and is available for working capital requirements and general corporate purposes, including the advancement of the lithium brine and Uzbekistan gas field redevelopment initiatives.

The Loan Facility comprises separate loans from a group of arm’s length lenders (each a “Lender”) made pursuant to credit agreements between Condor and each Lender on substantially the same terms other than the timing for principal repayment. The Loan Facility was completed in two tranches comprising USD 0.5 million (CAD 0.7 million) with an effective date of June 30, 2023 and principal due at maturity on June 30, 2026 and, subsequent to period end, USD 5.4 million (CAD 7.1 million) with an effective date of July 14, 2023 of which USD 2.6 million (CAD 3.4 million) of principal is due at maturity on July 14, 2026 and USD 2.8 million (CAD 3.7 million) of principal is due in eight equal quarterly payments commencing on October 14, 2024 and the final payment due on July 14, 2026.

In connection with the Loan Facility, Condor issued a total of 2,600,002 common share purchase warrants at an exercise price of $0.48 per share (“Warrants”). Each Lender received 1/3 of a Warrant for each dollar contributed to the Loan Facility for a total of 1,966,669 Warrants and an intermediary received 1/6 of a Warrant for each dollar of the Loan Facility loaned by a Lender introduced by the intermediary to the Company for a total of 633,333 Warrants.

Uzbekistan Production Contract and LNG Strategy

The Company continues with final negotiations and approval of the definitive legal documents for a production redevelopment project to assume full operations of eight existing gas-condensate fields in Uzbekistan, along with two additional exploration blocks in the surrounding area. The intent is to optimize production and increase domestic gas supply by utilizing modern production technologies and techniques. Included with the eight producing gas fields are the associated gathering pipelines, and gas treatment infrastructure.

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 to replace 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.

Turkiye Operations

Gas production for the second quarter of 2023 decreased 69% to 9,007 Mcf or an average of 99 Mcf/d from 29,053 Mcf or an average of 319 Mcf/d for the second quarter of 2022. The Poyraz Ridge field has been producing for over five years with water production and natural pressure declines impeding gas production rates. Gas production during the second quarter of 2022 was also much higher due to the successfully drilled Poyraz 7 infill well that began producing in June 2022 and has since naturally declined.

Posted Turkish gas prices for the second quarter of 2023 averaged $17.89 per Mcf as compared to $23.14 per Mcf in the second quarter of 2022, in Canadian dollar terms, but have decreased to $13.31 per Mcf as of August 1, 2023.

The Company is seeking a partner to fund development activities at the Yakamoz field, which is located 2 km north of the existing Poyraz Ridge field and within the Poyraz Ridge operating license. 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.

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", “may”, “will”, “would”, “continue”, “pursue”, “prepare”, “envision”, “project”, “potential”, “forecast” 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 final approval from the Government of Kazakhstan and complete the Second Lithium License title transfer; the potential for the First and Second Lithium License areas to contain commercials 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 apply DLE production technologies to have a much smaller environmental footprint than existing lithium production operations; the timing and ability to evaluate the construction of a renewable power generation project to achieve net-zero emissions for lithium production; the timing and ability to conduct future drilling, workover and optimization activities the timing and ability to perform additional well workovers; 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 plans 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 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; the timing and ability to replace diesel fuel with LNG; the expectation that expired licenses related to work at the Poyraz Ridge and Destan operations will be renewed; the timing and ability to decrease the mine’s 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 and other public disclosure filings of the Company referred to herein also include 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 Seller's ability to transfer the title of the Second Lithium License to Condor; the risk that prior lithium testing results will 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; the risk that historical production and testing rates will 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.sedarplus.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:

Mcf	Thousands of standard cubic feet
Mcf/d	Thousands of standard cubic feet per day
CAD	Canadian Dollars
USD	United States Dollars
LNG	Liquefied Natural Gas

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

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