



## NEWS RELEASE

November 9, 2023

### CONDOR ANNOUNCES 2023 THIRD QUARTER RESULTS

CALGARY, November 9, 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 and nine months ended September 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.ca](http://www.sedarplus.ca) and on the Condor website at [www.condorenergies.ca](http://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 seeking final approval of the contracts for a production redevelopment project to assume full operations of eight existing gas-condensate fields in Uzbekistan.
- In July 2023, Condor was awarded a 100% working interest in a contiguous 37,300-hectare lithium brine mining license in Kazakhstan for a six-year term.
- In Kazakhstan, the Company continues to mature opportunities to implement proven modular LNG technologies and processes to displace diesel fuel usage in the industrial, transportation and power generation sectors.
- The Company completed a USD 5.9 million (CAD 7.8 million) three-year term loan facility in July 2023 that bears interest at 9% per annum and is available for working capital requirements and general corporate purposes.

#### Uzbekistan Production Contract and LNG Strategy

The Company is seeking final approval of the contracts 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 Company’s intent is to generate near term cashflow by increasing production from existing gas fields while decreasing greenhouse gas emissions 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 mine's operating costs, reduce the country's dependency on diesel imports, and positively impact the country's carbon reduction efforts by reducing overall carbon emissions.

### **Lithium Licenses in Kazakhstan**

In July 2023, the Government of Kazakhstan awarded Condor its first lithium brine mining license (the "First Lithium License"). The Company holds a 100% working interest in the First Lithium License which is a contiguous 37,300-hectares and provides the subsurface exploration rights for solid minerals for a six-year term. Given its strategic access to Asian and European lithium markets, this region is ideally suited for the rapid deployment of emerging North American and European lithium DLE technologies to generate material lithium volumes for EV batteries and other electricity storage applications.

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.

Since the First Lithium License is 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 Standards of Disclosure for Mineral Projects (the "Mineral Report").

As disclosed in previous reporting periods, the Company is also pursuing approval for a second lithium brine mining license.

### **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. The LNG industrial uses the Company is proposing are proven worldwide, and the Company's intent is to introduce them to a region where they are currently not deployed. The site location has been finalized, the land package has been secured and the front-end engineering has been completed for the Company's planned first modular LNG facility.

### **New 9% Loan Facility Completed**

On July 14, 2023, the Company completed its USD 5.9 million (CAD 7.8 million) three-year term loan facility (“Loan Facility”) that bears interest at 9% 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 Kazakhstan lithium brine and Uzbekistan gas field redevelopment initiatives. Implementing this financing strategy also successfully minimized shareholder dilution, which has always been one of the Company’s core values.

### **Turkiye Operations**

Gas production for the third quarter of 2023 decreased 91% to 6,021 Mcf or an average of 65 Mcf/d from 67,494 Mcf or an average of 734 Mcf/d for the third quarter of 2022. The Poyraz Ridge field has been producing for six years with water production and natural pressure declines impeding gas production rates. Gas production during the third 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 third quarter of 2023 averaged \$13.55 per Mcf as compared to \$26.75 per Mcf in the third quarter of 2022, in Canadian dollar terms, but increased to \$16.04 per Mcf as of November 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”, “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 operate gas fields, optimize production, increase domestic gas supply, generate cashflow 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 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 execute a production contract with the Government of Uzbekistan under favorable terms, or at all, the areas to be included and the terms and conditions including but not limited to royalty and tax rates, cost recovery, profit allocation, gas marketing and pricing, government participation, governance, baseline production levels and reimbursement methodology; the timing and ability to execute the Company’s growth and sustainability strategies; the timing and ability to rapidly deploy lithium DLE technologies

to generate material lithium volumes for EV batteries; the potential for the First 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 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 obtain a second lithium brine mining license; the timing and ability to conduct future drilling, workover and optimization activities; the timing and ability to receive delivery, commission the compressor and 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 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 favorable 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 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 favorable 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; 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.sedarplus.ca](http://www.sedarplus.ca)).

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
DLE	Direct Lithium Extraction
EV	Electric Vehicle

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

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