



**Interim Condensed Consolidated Financial Statements**  
**For the three and six months ended June 30, 2024 and 2023**  
**(Unaudited)**

## Condor Energies Inc.

Consolidated Statements of Financial Position (Unaudited)  
Stated in thousands of Canadian dollars

As at		June 30, 2024	December 31, 2023
	Note		
<b>Assets</b>			
Cash and cash equivalents		9,634	5,043
Trade and other receivables	16	15,885	21
Other current assets	2	1,611	515
<b>Total current assets</b>		<b>27,130</b>	<b>5,579</b>
Exploration and evaluation assets	3	324	283
Property, plant and equipment	4	13,388	638
Other long-term assets	5	272	269
<b>Total assets</b>		<b>41,114</b>	<b>6,769</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		9,542	680
Current income taxes payable		684	-
Current portion of lease liabilities		52	42
Current portion of loan facility	6	1,598	607
Convertible debentures	7	7,191	-
Current portion of provisions	8	840	635
Current portion of other long-term liabilities	9	358	-
<b>Total current liabilities</b>		<b>20,265</b>	<b>1,964</b>
Lease liabilities		63	88
Loan facility	6	5,077	5,416
Provisions	8	13,401	1,834
Other long-term liabilities	9	2,530	-
<b>Total liabilities</b>		<b>41,336</b>	<b>9,302</b>
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	10	57,651	276,722
Contributed surplus		24,759	24,553
Accumulated other comprehensive loss		(84,290)	(84,414)
Deficit		(1,164)	(219,394)
Deficiency attributable to Common shareholders		(3,044)	(2,533)
Non-controlling interests	11	2,822	-
<b>Total shareholders' equity (deficiency)</b>		<b>(222)</b>	<b>(2,533)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>41,114</b>	<b>6,769</b>

Commitments and contingent liabilities (Note 15)

Subsequent event (Note 19)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## Condor Energies Inc.

Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

Stated in thousands of Canadian dollars

(except for per share amounts)

For the period ended June 30		Three months 2024	Three months 2023	Six months 2024	Six months 2023
	<b>Note</b>				
<b>Revenue</b>					
Natural gas and condensate sales	18	19,063	12	26,436	423
Royalties		(3,504)	(1)	(4,856)	(60)
<b>Total revenue</b>		<b>15,559</b>	<b>11</b>	<b>21,580</b>	<b>363</b>
<b>Expenses</b>					
Production costs		7,720	164	10,216	402
Transportation and selling		706	1	999	11
General and administrative		1,387	1,126	3,487	2,270
Depletion and depreciation	4	492	517	737	742
Stock based compensation	13	219	66	344	177
<b>Total expenses</b>		<b>(10,524)</b>	<b>(1,874)</b>	<b>(15,783)</b>	<b>(3,602)</b>
Finance income	9	923	22	1,299	50
Finance expense		(769)	(58)	(1,212)	(78)
Foreign exchange gain (loss)	16	(43)	55	(161)	59
Gain on property, plant and equipment sales		-	133	-	133
Loss on unrealized embedded derivative	7	(568)	-	(568)	-
Other expense	9	(1,870)	-	(1,870)	-
Net monetary gain (loss)	14	11	(376)	4	150
<b>Income (loss) before income taxes</b>		<b>2,719</b>	<b>(2,087)</b>	<b>3,289</b>	<b>(2,925)</b>
Current income tax expense		(1,156)	-	(1,635)	-
<b>Net income (loss)</b>		<b>1,563</b>	<b>(2,087)</b>	<b>1,654</b>	<b>(2,925)</b>
<i>Items that may be reclassified to profit or loss:</i>					
Foreign currency translation adjustment		3	(304)	128	(378)
<b>Comprehensive income (loss)</b>		<b>1,566</b>	<b>(2,391)</b>	<b>1,782</b>	<b>(3,303)</b>
<b>Net income (loss) attributable to:</b>					
Common shareholders		50	(2,087)	(1,347)	(2,925)
Non-controlling interests	11	1,513	-	3,001	-
		<b>1,563</b>	<b>(2,087)</b>	<b>1,654</b>	<b>(2,925)</b>
<b>Comprehensive income (loss) attributable to:</b>					
Common shareholders		45	(2,391)	(1,226)	(3,303)
Non-controlling interests	11	1,521	-	3,008	-
		<b>1,566</b>	<b>(2,391)</b>	<b>1,782</b>	<b>(3,303)</b>
<b>Net income (loss) per share attributable to common shareholders:</b>					
Basic and diluted net income (loss) per share	12	0.00	(0.04)	(0.02)	(0.05)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## Condor Energies Inc.

Consolidated Statements of Cash Flows (Unaudited)  
Stated in thousands of Canadian dollars

For the period ended June 30		Three months 2024	Three months 2023	Six months 2024	Six months 2023
	<b>Note</b>				
<b>Operating activities:</b>					
Net income (loss)		1,563	(2,087)	1,654	(2,925)
Items not affecting cash:					
Depletion and depreciation	4	492	517	737	742
Stock based compensation	13	219	66	344	177
Finance expenses		440	8	690	21
Unrealized foreign exchange (gain) loss		117	-	321	(8)
Finance income	9	(874)	-	(1,208)	-
Gain on property, plant and equipment sales		-	(133)	-	(133)
Loss on unrealized embedded derivative	7	568	-	568	-
Other expense	9	1,870	-	1,870	-
Net monetary (gain) loss	14	-	359	8	(164)
Cash flows from (used in) operating activities before the following items:		4,395	(1,270)	4,984	(2,290)
Other long-term assets	5	(1)	-	(3)	-
Decommissioning obligations settled	8	(17)	-	(46)	-
Other long-term liabilities	9	1,594	-	2,203	-
Changes in non-cash working capital		(3,763)	169	(7,371)	(358)
Cash flows from (used in) operating activities		2,208	(1,101)	(233)	(2,648)
<b>Investing activities:</b>					
Exploration and evaluation expenditures	3	(23)	-	(43)	-
Property, plant and equipment expenditures	4	(1,623)	(26)	(1,732)	(35)
Proceeds from property, plant and equipment sales		-	133	-	133
Changes in non-cash working capital		94	27	73	27
Cash flows from (used in) investing activities		(1,552)	134	(1,702)	125
<b>Financing activities:</b>					
Proceeds from convertible debentures	7	-	-	6,463	-
Convertible debenture issue costs	7	7	-	(144)	-
Proceeds from loan facility	6	-	617	-	617
Issue of common shares	10	144	-	185	-
Lease payments		(14)	(23)	(20)	(45)
Cash flows from financing activities		137	594	6,484	572
Net change in cash		793	(373)	4,549	(1,951)
Effect of foreign exchange on cash		45	(65)	42	(73)
Cash and cash equivalents, beginning		8,796	2,165	5,043	3,751
Cash and cash equivalents, ending		9,634	1,727	9,634	1,727

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## Condor Energies Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited)  
Stated in thousands of Canadian dollars  
(except for number of common shares)

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Equity (Deficiency) Attributable to Common Shareholders	Non- Controlling Interests	Total Shareholders' Equity (Deficiency)
As at December 31, 2022	56,164,453	276,543	21,686	(83,930)	(208,002)	6,297	-	6,297
Issue of warrants	-	-	167	-	-	167	-	167
Stock based compensation expense	-	-	177	-	-	177	-	177
Foreign currency translation adjustment	-	-	-	(378)	-	(378)	-	(378)
Net loss	-	-	-	-	(2,925)	(2,925)	-	(2,925)
As at June 30, 2023	56,164,453	276,543	22,030	(84,308)	(210,927)	3,338	-	3,338
As at December 31, 2023	56,490,433	276,722	24,553	(84,414)	(219,394)	(2,533)	-	(2,533)
Exercise of stock options and warrants	615,568	323	(138)	-	-	185	-	185
Stock based compensation expense	-	-	344	-	-	344	-	344
Foreign currency translation adjustment	-	-	-	121	-	121	7	128
Reduction of share capital (Note 10)	-	(219,394)	-	-	219,394	-	-	-
Partial disposition of subsidiaries (Note 11)	-	-	-	3	183	186	(186)	-
Net income (loss)	-	-	-	-	(1,347)	(1,347)	3,001	1,654
As at June 30, 2024	57,106,001	57,651	24,759	(84,290)	(1,164)	(3,044)	2,822	(222)

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**Condor Energies Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and six months ended June 30, 2024 and 2023 (Unaudited)**

**1. Corporate information:**

*Reporting entity:*

Condor Energies Inc. ("Condor" or the "Company") is a publicly traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "CDR" with activities in the Republic of Uzbekistan ("Uzbekistan"), the Republic of Kazakhstan ("Kazakhstan") and the Republic of Turkiye ("Turkiye"). The Company's registered office is 1810, 500 – 4 Avenue S.W., Calgary, Alberta, Canada, T2P 2V6.

The interim condensed consolidated financial statements (the "financial statements") of the Company as at June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 comprise the Company and its subsidiaries. These financial statements were approved and authorized for issue on August 13, 2024 by Condor's Board of Directors.

*Nature of operations:*

On January 30, 2024, Condor entered into a production enhancement services contract with a national holding company of Uzbekistan to increase the production and overall recovery rates from an integrated cluster of eight conventional natural gas-condensate fields in Uzbekistan (the "PEC Project"). The Company, through its local subsidiary, commenced operations of the PEC Project on March 1, 2024. Natural gas and condensate produced in Uzbekistan is supplied to the domestic market through sales agreements with national companies of Uzbekistan. Condor is responsible for all costs of the PEC Project, and in exchange for performing its services, the Company receives a percentage of revenues less prescribed royalties realized from the PEC Project. The term of the PEC Project is twenty years.

The Company has a 100% interest in and operates an exploration license in Kazakhstan for mining solid minerals, including lithium (the "Lithium Mining License"). The license is valid for six years from July 2023 to July 2029.

The Company has a 100% interest in and operates the Poyraz Ridge and Destan operating licenses and gas fields in Turkiye. The licenses had an expiry date of June 8, 2023 and, provided that the Company has performed its obligations under the respective work programs and future production is expected, each license may be extended until 2035 upon approval of the competent authority in Turkiye. The Company has performed its obligations under the work programs and applied for an extension to each license in December 2022. Despite a mandated sixty-day response period by the competent authority, the approvals remain outstanding due to industry and government related delays not specifically related to the Company. During the interim period between the expiry date of the licenses and the extension approvals being granted, the licenses are deemed to be under review and Turkish law provides and requires that production, sales and operations continue on the properties and royalties be accrued and paid until the extensions are approved or the licenses are terminated.

The Company's future financial results and longer-term success are dependent upon its existing working capital, its ability to secure additional capital from debt or equity financings or completing other arrangements to fund the Company's exploration and development activities while the Company attempts to generate recurring positive cash flows from operations. The Company was successful in raising convertible debt financing on March 22, 2024 of \$6.3 million after deducting debt issue costs of \$0.2 million (Note 7). For future periods, there is no assurance the Company will be able to generate positive cash flow from operations or to secure funding from additional debt or equity financings, dispose of assets or complete other arrangements on favorable terms, or at all, which may require the utilization of all remaining working capital and financial resources. The occurrence and timing of these events is uncertain, and the Company will continue monitoring its liquidity and the going concern assessment in future periods.

**Condor Energies Inc.**  
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*Basis of presentation*

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’, as issued by the International Accounting Standards Board. These financial statements do not include all of the information required in annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

These financial statements are reported in Canadian dollars (“CAD”) which is the functional currency of the Company. The Company’s has a subsidiary in Uzbekistan with a USD functional currency, a subsidiary in Kazakhstan with a Kazakhstan Tenge (“KZT”) functional currency and a subsidiary in the Netherlands which has a branch in Turkey (“Turkey Branch”) with a Turkish Lira (“TRY”) functional currency.

The accounting policies used to prepare these financial statements are consistent with the material accounting policies for the year ended December 31, 2023, except for the following changes in material accounting policies:

*Non-controlling interests (“NCI”)*: Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Company recognizes directly in equity any difference between the fair value of the consideration received or paid, and the proportionate share of the subsidiary’s assets, liabilities and other comprehensive income attributed to NCI at the date of the transaction.

*Financial instruments*: The Company accounts for its physical delivery sales contracts as executory contracts. These contracts are entered into and held for the purpose of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements. As such, these contracts are not considered to be derivative financial instruments and are not recorded at fair value on the consolidated statements of financial position. Settlements on these physical delivery sales contracts are recognized in revenue in the period the product is delivered to the sales point.

*Amendments to IAS 1 “Presentation of Financial Statements”*: On January 1, 2024, the Company adopted the amendments introduced to IAS 1 in relation to the classification of liabilities with covenants as current or non-current in the Statements of Financial Position, which had no impact on the Company’s financial statements.

*Significant accounting estimates and judgments*

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 and actual results could differ from those estimates as future confirming events occur. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying material accounting policies that have the most significant effect on the amounts recognized in the financial statements are outlined in Note 2 of Condor’s audited consolidated financial statements as at and for the year ended December 31, 2023, except for the following:

**Condor Energies Inc.**  
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The conversion feature associated with the US dollar denominated convertible debentures (Note 7) has been identified as a derivative financial liability. Derivative financial liabilities are recorded upon recognition and subsequently at each period-end date at fair value, with changes in fair value being recognized in earnings. The fair value estimate involves assumptions regarding the probability a forced conversion will occur, the expected life of the Debentures, dividend yields, risk-free interest rates, and volatility of the Company's common shares. The fair value is measured using the Black-Scholes option pricing model, and using an alternate pricing model could produce different results.

**2. Other current assets:**

As at (000's)	June 30, 2024	December 31, 2023
Prepaid expenses	1,252	387
Inventory	270	59
Value added tax receivables	89	69
	1,611	515

**3. Exploration and evaluation assets:**

As at (000's)	June 30, 2024	December 31, 2023
Opening balance	283	3,302
Capital expenditures	43	284
Change in decommissioning costs	-	40
Exploration and evaluation impairment	-	(3,298)
Impact of hyperinflation (Note 14)	-	543
Foreign currency translation adjustment	(2)	(588)
Closing balance	324	283

E&E assets consist of the Company's exploration projects, which are pending the determination of proved or probable reserves. As at June 30, 2024, there were no impairment indicators for the Lithium Mining License in Kazakhstan, which represents the Company's remaining E&E asset.

**4. Property, plant and equipment:**

(000's)	Oil and gas properties	Other equipment	Total
<b>Cost</b>			
As at December 31, 2022	13,984	1,800	15,784
Capital expenditures	166	174	340
Change in decommissioning costs	40	-	40
Property, plant and equipment sales	-	(202)	(202)
Reduction in capital lease term	-	(95)	(95)
Impact of hyperinflation (Note 14)	569	-	569
Foreign currency translation adjustment	(1,633)	(25)	(1,658)
As at December 31, 2023	13,126	1,652	14,778
Capital expenditures	1,419	313	1,732
Change in decommissioning costs	11,198	-	11,198
Foreign currency translation adjustment	(98)	(6)	(104)
As at June 30, 2024	25,645	1,959	27,604



**Condor Energies Inc.**  
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(000's)	Oil and gas properties	Other equipment	Total
<b>Accumulated depletion, depreciation and impairment</b>			
As at December 31, 2022	(12,770)	(1,075)	(13,845)
Depletion and depreciation	(253)	(130)	(383)
Impairment	(1,206)	-	(1,206)
Property, plant and equipment sales	-	171	171
Impact of hyperinflation (Note 14)	(132)	-	(132)
Foreign currency translation adjustment	1,235	20	1,255
As at December 31, 2023	(13,126)	(1,014)	(14,140)
Depletion and depreciation	(232)	(47)	(279)
Foreign currency translation adjustment	199	4	203
As at June 30, 2024	(13,159)	(1,057)	(14,216)
<b>Net book value</b>			
As at December 31, 2023	-	638	638
As at June 30, 2024	12,486	902	13,388

Changes in decommissioning costs are from new oil and gas assets, updated cost estimates, changes to estimated lives of operations and revisions to discount rates and inflation rates related to oil and gas properties. Changes in decommissioning costs in Uzbekistan in the amount of \$11.2 million (2023 – \$0.04 million in Turkiye) have been capitalized to oil and gas properties, and changes in decommissioning costs in Turkiye and Kazakhstan relating to oil and gas properties with a net book value of \$Nil are recognized immediately as depletion and depreciation expense. For the three and six months ended June 30, 2024, the amount expensed was \$0.1 million and \$0.2 million, respectively, in Turkiye (2023 – \$0.4 million in both periods) and \$0.2 million and \$0.3 million, respectively, in Kazakhstan (2023 – \$Nil in both periods).

Total depletion and depreciation expense for property, plant and equipment, including changes in decommissioning costs for properties with a net book value of \$Nil, for the three and six months ended June 30, 2024 is \$0.5 million and \$0.7 million, respectively (2023 - \$0.5 million and \$0.7 million, respectively).

As at June 30, 2024, oil and gas properties includes \$0.4 million (December 31, 2023 – \$Nil) of assets under construction and other equipment includes field equipment and capital inventory of \$0.5 million (December 31, 2023 – \$0.5 million) which are not subject to depletion, and a right-of-use asset related to Canadian office space with a cost of \$0.1 million (December 31, 2023 - \$0.1 million), accumulated depreciation of \$0.03 million (December 31, 2023 - \$0.01 million) and a carrying amount of \$0.1 million (December 31, 2023 - \$0.1 million).

There were no indicators of impairment for property, plant and equipment as at June 30, 2024.

**5. Other long-term assets:**

Other long-term assets are comprised of non-current bank deposits of \$0.3 million as of June 30, 2024 (December 31, 2023: \$0.3 million) and are substantially all denominated in USD and invested in special interest-bearing accounts comprised of \$0.2 million (December 31, 2023: \$0.2 million) for decommissioning obligations in Kazakhstan, Turkiye, and Canada and \$0.1 million (December 31, 2023: \$0.1 million) related to the Poyraz Ridge pipeline surface access expropriation in Turkiye.

**Condor Energies Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**6. Loan facility:**

On June 30, 2023, the Company established a USD denominated term loan facility (“Loan Facility”) with a group of third-party lenders made pursuant to credit agreements (“Credit Agreements”) between Condor and each lender having an aggregate principal amount of USD \$5.9 million (CAD \$7.8 million). The Credit Agreements have substantially the same terms and conditions, other than the timing of principal repayments and the effective date of completion. The Loan Facility is unsecured, non-revolving, has a three-year term, bears interest at 9.0% per annum to be paid quarterly in arrears and is available for general corporate purposes.

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 is due at maturity on June 30, 2026 and 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.

Financing costs for the Loan Facility of \$2.3 million were recorded as a reduction against the liability and are amortized over the respective terms of the loans using the effective interest method. The effective interest expense on the Loan Facility for the three and six months ended June 30, 2024 was \$0.4 million and \$0.8 million, respectively (2023 – \$Nil and \$Nil, respectively) and the balance of unamortized financing costs as at June 30, 2024 was \$1.5 million (December 31, 2023 – \$1.9 million).

As of June 30, 2024, the current portion of the Loan Facility of \$1.6 million (December 31, 2023 – \$0.6 million) is comprised of \$0.1 million (December 31, 2023 – \$0.1 million) of accrued interest payable and \$1.5 million (December 31, 2023 – \$0.5 million) of principal, and the non-current portion of \$5.1 million (December 31, 2023 – \$5.4 million) is comprised of \$6.6 million (December 31, 2023 – \$7.3 million) of principal less \$1.5 million (December 31, 2023 – \$1.9 million) of unamortized financing costs. As of June 30, 2024, the Company is in compliance with all non-financial covenants and the Loan Facility has no associated financial covenants.

**7. Convertible debentures:**

On March 22, 2024, the Company issued convertible debentures (the “Debentures”) convertible into 2,950,336 common shares for gross proceeds of USD \$4.8 million (CAD \$6.5 million) less debt issue costs of CAD \$0.2 million for net proceeds of CAD \$6.3 million. The Debentures are unsecured, bear interest at 9.0% per annum payable in cash semi-annually in arrears, mature on March 21, 2027, and the principal amount is convertible at any time at the option of the holder on or before the maturity date at a conversion price of USD \$1.61676 per common share. The Company can force conversion of all the Debentures if the 20-day volume weighted average trading price of the Company’s common shares on the TSX exceeds CAD \$3.00. The proceeds are available for general corporate purposes. As of June 30, 2024, the Company is in compliance with all non-financial covenants and the Debentures have no associated financial covenants.

The fair value of the liability component of the Debentures of USD \$4.1 million (CAD \$5.5 million) was determined on March 22, 2024 by discounting the expected future cash flows of the interest and principal amounts at the Company’s estimated incremental borrowing rate of 16%. Financing costs allocated to the liability component of \$0.14 million were recorded as a reduction against the liability and are amortized over the three-year term using the effective interest method. The liability component is accreted over the three-year term to the principal amount on the maturity date with a corresponding non-cash accretion charge recognized in earnings.

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As the Debentures are denominated in a currency other than the Company's functional currency, the conversion feature is accounted for as an embedded derivative liability and its fair value will be estimated at each reporting period date with changes in fair value recognized in earnings. Financing costs allocated to the embedded derivative liability of \$0.03 million were charged to earnings.

<b>Liability component of the Debentures</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Principal of convertible debenture issuance	6,463	-
Less: issue costs	(144)	-
Less: embedded derivative component	(966)	-
Fair value on initial recognition	5,353	-
Accretion expense	248	-
Foreign currency translation adjustment	56	-
Ending liability component	5,657	-

<b>Embedded derivative related to the Debentures</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Fair value on initial recognition	966	-
Unrealized derivative loss on revaluation	568	-
Ending embedded derivative component	1,534	-

The effective interest expense on the liability component of the Debentures for the three and six months ended June 30, 2024 was \$0.2 million for both periods (2023 – \$Nil for both periods) and the balance of unamortized financing costs as at June 30, 2024 was \$0.13 million. As at June 30, 2024, the liability component includes accrued interest payable of \$0.2 million (December 31, 2023 – \$Nil).

The estimated fair value of the embedded derivative liability on June 30, 2024 was \$1.5 million with the change in fair value of \$0.6 million recognized as loss on unrealized embedded derivative for the three and six months ended June 30, 2024 (2023 – \$Nil for both periods). The fair value of the embedded derivative liability was estimated using the Black-Scholes option pricing model assuming: a 1.5 year expected life; a 4.1% risk free interest rate; an 100% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a June 30, 2024 share price of \$1.44; and an exercise price of \$2.21.

**8. Provisions:**

<b>As at (000's)</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Beginning non-current portion	1,834	1,652
Increase in liabilities	11,198	-
Changes in estimates	194	900
Accretion expense	200	54
Foreign currency translation adjustment	(25)	(772)
Ending non-current portion	13,401	1,834
Beginning current portion	635	295
Settlements	(46)	(25)
Changes in estimates	264	366
Foreign currency translation adjustment	(13)	(1)
Ending current portion	840	635

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Provisions are comprised of decommissioning obligations which are estimated based on the expected costs to abandon existing wells and facilities and for site restoration along with the estimated timing of future payments. At June 30, 2024, the estimated total uninflated and undiscounted cash flows required to settle the current and non-current liabilities are \$17.8 million (December 31, 2023: \$2.6 million), which are expected to be incurred between 2024 and 2043.

The net present value of the non-current decommissioning obligations is calculated with an inflation rate of 2.7% (December 31, 2023: 2.7%) and risk-free discount rate of 4.3% (December 31, 2022: 4.3%).

**9. Other long-term liabilities:**

(000's)	PEC Project	CNG	Total
As at December 31, 2023	-	-	-
Increase in liabilities	995	1,870	2,865
Accretion	21	-	21
Foreign currency translation adjustment	2	-	2
Less: current portion	-	(358)	(358)
As at June 30, 2024	1,018	1,512	2,530

In accordance with the terms of the PEC Project, certain of the Company's payment obligations are deferred. The total undiscounted cash outflows required to settle these obligations are \$2.2 million and are due between March 2029 and June 2029. These liabilities are recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16% and are accreted over the deferral period to the principal amount on the due date with a corresponding non-cash accretion charge recognized in earnings. The difference between fair value and the undiscounted payment obligations is recorded as non-cash finance income.

The non-cash accretion expense on the PEC Project liabilities for the three and six months ended June 30, 2024 was \$0.02 million and \$0.02 million, respectively, and non-cash finance income for the three and six months ended June 30, 2024 was \$0.9 million and \$1.2 million, respectively.

The Company is expecting Condor Natural Gas B.V. ("CNG"), a Company subsidiary, to enter into a Termination and Settlement Agreement (the "Agreement") effective August 2024 with two third-party advisors (the "Advisors") who had been engaged to assist Condor in pursuing investment opportunities in Uzbekistan. The draft Agreement specifies that CNG shall pay the Advisors a termination payment of USD \$1.8 million (CAD \$2.5 million) as consideration for the Advisors releasing CNG and its shareholders from all claims in respect of any investment opportunities undertaken within Uzbekistan or anywhere globally. The Company expects to provide a guarantee to the Advisors to support the payment of the termination payment by CNG (the "Guarantee"). The fair value of the termination payment has been recognized as Other expense based upon management's expectation that the Agreement and Guarantee will be completed based upon the draft terms and conditions as of August 13, 2024.

The CNG termination payment will be payable in forty-four monthly instalments of USD \$0.04 million from August 2024 to March 2028 and this liability is recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16%. The liability will be accreted over the payment period with a corresponding non-cash accretion charge recognized in earnings. As at June 30, 2024, the total undiscounted cash flows required to settle this liability are \$2.5 million.

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**10. Share capital:**

The Company has authorized an unlimited number of common shares without nominal or par value and an unlimited number of first and second preferred shares without nominal or par value. As of June 30, 2024 the number of common shares issued is 57,106,001 (December 31, 2023 – 56,490,433). The common shares do not have a par value and all issued shares are fully paid.

During the six months ended June 30, 2024, 548,900 stock options were exercised for proceeds of \$0.15 million and 66,668 common share purchase warrants were exercised for proceeds of \$0.03 million.

As of June 30, 2024, there are 2,533,334 common share purchase warrants, each at an exercise price of \$0.48 per share and exercisable into one common share of Condor, of which 255,000 expire on June 30, 2026 and 2,278,334 expire on July 14, 2026.

***Reduction of share capital***

On June 20, 2024, Condor's shareholders resolved by special resolution that the Company's share capital be reduced, without payment of or reduction to the Company's stated capital or paid-up capital, by the amount of the deficit on December 31, 2023 of \$219.4 million.

**11. Non-controlling interests:**

a. Condor Natural Gas B.V.

On January 9, 2024, the Company entered into a share purchase agreement ("SPA") with a third party to sell 49% of the shares of Condor Natural Gas B.V. ("CNG") for 49 Euros. CNG is the sole shareholder of the Uzbekistan subsidiary which is conducting the production enhancement services under the PEC Project. On March 1, 2024, the SPA was completed and the consideration received, and the assets, liabilities and accumulated other comprehensive income ("AOCI") transferred to the NCI is outlined in the table below:

(000's)	
Consideration received	-
Carrying amount of net assets and AOCl transferred to NCI	(160)
Increase in equity attributable to Common shareholders	160

The increase in equity attributable to owners of the Company is comprised of a decrease in deficit of \$0.16 million and a decrease in AOCl of less than \$0.01 million.

The following table summarizes the financial information relating to CNG and its wholly-owned Uzbekistan subsidiary, before any intra-group eliminations. The NCI is allocated 49% of the comprehensive income of CNG commencing March 1, 2024.

<b>As at (000's)</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Current assets	23,239	-
Non-current assets	12,761	-
Current liabilities	(16,176)	-
Non-current liabilities	(13,993)	-
Net assets	5,831	-
Net assets attributable to NCI	2,857	-

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<b>Three months ended (000's)</b>	<b>June 30, 2024</b>	June 30, 2023
Revenue	18,954	-
Expenses	(14,853)	-
Finance income (Note 9)	874	-
Other expense (Note 9)	(1,870)	-
Net income	3,105	-
Other comprehensive income	18	-
Total comprehensive income	3,123	-
Net income allocated to NCI	1,522	-
Other comprehensive income allocated to NCI	8	-
Cash flows from operating activities	4,256	-
Cash flows used in investing activities	(1,605)	-
Cash flows from financing activities	3,292	-
Effect of foreign exchange on cash	14	-
Increase in cash	5,957	-
<b>Six months ended (000's)</b>	<b>June 30, 2024</b>	June 30, 2023
Revenue	26,166	-
Expenses	(19,697)	-
Finance income (Note 9)	1,208	-
Other expense (Note 9)	(1,870)	-
Net income	5,807	-
Other comprehensive income	14	-
Total comprehensive income	5,821	-
Net income allocated to NCI	3,010	-
Other comprehensive income allocated to NCI	7	-
Cash flows from operating activities	3,687	-
Cash flows used in investing activities	(1,721)	-
Cash flows from financing activities	4,274	-
Effect of foreign exchange on cash	13	-
Increase in cash	6,253	-

b. Condor LNG Ltd.

On April 24, 2024, the Company completed a share purchase agreement with a third party to sell 10% of the shares of Condor LNG Ltd. ("CLNG") for 100 Euros. CLNG is the sole shareholder of two Kazakhstan subsidiaries which are developing liquefied natural gas facilities in Kazakhstan. The consideration received, and the assets, liabilities and accumulated other comprehensive income ("AOCI") transferred to the NCI is outlined in the table below:

(000's)	
Consideration received	-
Carrying amount of net assets and AOCI transferred to NCI	(26)
Increase in equity attributable to Common shareholders	26

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The increase in equity attributable to owners of the Company is comprised of a decrease in deficit of \$0.03 million and a decrease in AOCI of less than \$0.01 million.

The following table summarizes the financial information relating to CLNG and its two wholly-owned Kazakhstan subsidiaries, before any intra-group eliminations. The NCI is allocated 10% of the comprehensive income of CLNG commencing April 24, 2024.

<b>As at (000's)</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Current assets	109	-
Non-current assets	4	-
Current liabilities	(50)	-
Non-current liabilities	(417)	-
Net asset deficiency	(354)	-
Net asset deficiency attributable to NCI	(35)	-

  

<b>Six months ended (000's)</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Revenue	-	-
Expenses	(294)	-
Net loss	(294)	-
Other comprehensive loss	(8)	-
Total comprehensive income	(302)	-
Net loss allocated to NCI	(9)	-
Other comprehensive loss allocated to NCI	-	-
Cash flows used in operating activities	(297)	-
Cash flows used in investing activities	(4)	-
Cash flows from financing activities	353	-
Effect of foreign exchange on cash	2	-
Increase in cash	54	-

**12. Net income (loss) per share:**

Per share amounts are calculated using a weighted average number of common shares of 56,774,485 and 56,673,338 for the three and six months ended June 30, 2024, respectively (2023: 56,164,453 and 56,164,453 common shares, respectively). For periods with a net loss, outstanding stock options, common share purchase warrants and convertible debentures have been excluded from the respective calculations of diluted weighted average common shares as to include would have an antidilutive effect.

**13. Stock based compensation:**

The Company has a stock option plan under which the Board may grant options for the purchase of common shares to directors, officers and employees for up to 10% of the outstanding common shares. The Board establishes the exercise price of options at the date of grant, provided that such price shall not be less than the volume weighted average trading price of the shares on the TSX for the five trading days immediately preceding the date of grant. The options are granted for a term of five years and fully vest after either two or three years from the date of grant. Each outstanding option is exercisable to acquire one common share of the Company.



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The number and weighted average exercise prices of share options are as follows:

	Number of options	Weighted average exercise price
Outstanding as at December 31, 2022	4,504,000	0.47
Granted	2,125,000	0.76
Forfeited	(140,000)	(0.53)
Expired	(1,042,000)	(0.59)
Outstanding as at December 31, 2023	5,447,000	0.56
Granted	225,000	1.80
Exercised	(548,900)	(0.28)
Outstanding as at June 30, 2024	5,123,100	\$0.64

Details of the stock options outstanding as at June 30, 2024 are as follows:

Exercise price	Options outstanding		Options vested	
	Number	Average remaining life in years	Number	Average remaining life in years
\$0.31	1,000,000	3.7	666,668	3.7
\$0.39	1,150,000	3.4	766,667	3.4
\$0.42	120,000	2.8	80,000	2.8
\$0.48	773,100	2.6	706,436	2.5
\$0.51	175,000	1.4	175,000	1.4
\$0.53	655,000	1.2	655,000	1.2
\$1.23	1,025,000	4.3	341,667	4.3
\$1.80	225,000	4.9	75,000	4.9
	5,123,100	3.2	3,466,438	2.9

As of June 30, 2024, there are 5,123,100 stock options outstanding (December 31, 2023 – 5,447,000) with a weighted average exercise price of \$0.64 (December 31, 2023 - \$0.56), of which 3,466,438 stock options are exercisable (December 31, 2023 – 3,607,007) with a weighted average exercise price of \$0.54 (December 31, 2023 – \$0.49).

In May 2024, 225,000 stock options were granted and the fair value of \$1.32 per option was estimated using the Black-Scholes option pricing model assuming: a 3.5 year expected life; a 4.1% risk free interest rate; an 106% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a grant date share price of \$1.87; and an exercise price of \$1.80.



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**14. Net monetary gain (loss):**

To measure the impact of inflation on its consolidated financial position and operating results, the Company has elected to use the Turkish consumer price index (“Turkish CPI”) as published by the Turkish Statistical Institute “TURKSTAT”. The value of the Turkish CPI at June 30, 2024 was 2,319 (June 30, 2023 – 1,352) and the movement in the Turkish CPI for the six months ended June 30, 2024 was 460 (2023 – 223), an increase of approximately 25% (2023 – 20%). For the three and six months ended June 30, 2024, the Company recognized a net monetary gain of approximately \$0.01 million for both periods to restate transactions into a measuring unit current as of June 30, 2024 (June 30, 2023 – loss of \$0.4 million and gain of \$0.2 million, respectively).

**15. Commitments and contingent liabilities:**

There are no work commitments related to the Poyraz Ridge operating license, the Yakamoz prospect or the Destan operating license in Turkiye.

The Lithium Mining License in Kazakhstan contains contractual work commitments of \$0.2 million per annum during the first three years and \$0.3 million per annum during the final three years of the six-year term. The contractual work commitments may be amended from time to time in accordance with planned exploration activities proposed by the Company and approved by the Government of Kazakhstan and additional contractual work commitment amounts could be significant.

**16. 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 contractual obligations. The maximum exposure to credit risk at period end is as follows:

Carrying amounts as at (000's)	June 30, 2024	December 31, 2023
Cash and cash equivalents	9,634	5,043
Trade and other receivables	15,885	21
Other long-term assets	272	269
	25,791	5,333

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 six months ended June 30, 2024, sales of natural gas were sold to one customer in each of Uzbekistan and Turkiye (2023 – one customer in Turkiye), and sales of condensate were sold to one customer in Uzbekistan and therefore all are subject to concentration risk. As at June 30, 2024, these three customers represented 99% of outstanding trade receivables (December 31, 2023: one customer – 79%).

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Credit risk is mitigated by management's policies and practices. Natural gas and condensate produced in Uzbekistan is supplied to the domestic market through sales agreements with national companies of Uzbekistan. For natural gas sales in Turkiye, 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.

*Liquidity risk and capital management*

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations and commitments and repaying liabilities as they fall due. The Company's objective is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due. The Company requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Uzbekistan, Kazakhstan and Turkiye. The Company looks to manage liquidity by adjusting 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. Managing the Company's obligations will require using a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. While the Company believes it has sufficient resources to manage these obligations for the next year, there is no assurance over the longer term that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

At June 30, 2024, the Company had a deficit of \$1.2 million after taking into account the deficit reduction of \$219.4 million (Note 10). For the three and six months ended June 30, 2024, the Company reported a net income of \$1.6 million and \$1.7 million, respectively (2023: net loss of \$2.1 million and \$2.9 million, respectively) and cash from (used in) operating activities of \$2.2 million and (\$0.2) million, respectively (2023 – (\$1.1) million and (\$2.6) million, respectively). The Company's working capital balance has increased from \$3.6 million as at December 31, 2023 to \$6.9 million as at June 30, 2024, primarily as a result of commencing production enhancement operations under the PEC Project in Uzbekistan (Note 11(a)).

To manage capital expenditures and operating cashflows, annual 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 consolidated statements of financial position. The Company's undiscounted contractual obligations are as follows:

(000's)	<b>Less than 1 year</b>	<b>Greater than 1 year</b>	<b>Total</b>
<u>As at June 30, 2024</u>			
Accounts payable and accrued liabilities	9,542	-	9,542
Lease liabilities	52	63	115
Loan facility	1,598	6,617	8,215
Convertible debentures	161	6,529	6,690
Other long-term liabilities	-	2,203	2,203

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Accounts payable and accrued liabilities	680	-	680
Loan facility	607	7,333	7,940
Lease liabilities	42	88	130

*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 and their impact on the future performance of the business. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices. Derivative instruments may be used to reduce exposure to these risks.

*Foreign currency exchange risk*

The Company is exposed to significant foreign currency risk as the Company's natural gas and condensate sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies, a significant portion of the Company's cash and cash equivalents are held in USD and the Company's Loan Facility and convertible debentures are denominated in USD. Natural gas and condensate sales in Uzbekistan are domestic sales at local market prices and natural gas sales in Turkiye are denominated in TRL. In general, an increase in the value of the Canadian dollar as compared to the USD or the TRL will reduce the prices received by the Company for its natural gas and condensate sales. The Company had no forward exchange rate contracts in place during the six months ended June 30, 2024 or the year ended December 31, 2023.

During the six months ended June 30, 2024, the CAD depreciated from 1.32 per 1.00 USD to 1.37, the KZT depreciated from 454.6 per 1.00 USD to 471.5, and TRL depreciated from 29.4 per 1.00 USD to 32.8, which led to a foreign exchange loss of \$0.2 million (2023: gain of \$0.06 million) related mainly to the USD denominated Loan Facility and convertible debentures, partially offset by USD cash and cash equivalents held by the Company.

During the six months ended June 30, 2024, the KZT depreciated from 343.1 per 1.00 CAD to 344.5, and the TRL depreciated from 22.2 per 1.00 CAD to 24.0, resulting in a \$0.1 million translation gain adjustment through equity (2023: loss of \$0.4 million).

*Interest rate risk*

Interest rate risk is the risk that the value of the financial instrument or future cash flows associated with the financial instrument will fluctuate as a result of changes in market interest rates. The Company's Loan Facility and convertible debentures both bear fixed-rate interest at 9.0% per annum to be paid quarterly in arrears and their value is exposed to interest rate risk from changes in market interest rates. The Company had no risk management contracts that would be affected by interest rates in place during the six months ended June 30, 2024 or the year ended December 31, 2023.

*Commodity price risk*

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for oil 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 may also affect the value of the oil and gas properties, the level of spending for exploration and development and the Company's ability to raise capital. The Company had no derivative commodity price contracts in place during the six months ended June 30, 2024 or the year ended December 31, 2023.

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Natural gas sales in Uzbekistan are domestic sales at local market prices. Condensate sales prices in Uzbekistan are based on Brent less a discount for processing, transportation and marketing.

Natural gas sales in Turkiye 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 Turkiye is BOTAS Level 2 wholesale tariffs less a marketing differential.

*Fair Value of Financial Assets and Liabilities*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods outlined below. The Company's fair value measurements are classified as one of the following levels of the fair value hierarchy. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability:

Level 1 – Inputs represent unadjusted quoted prices in active markets for identical assets and liabilities as of the reporting date. An active market is characterized by a high volume of transactions that provides pricing information on an ongoing basis.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These valuations are based on inputs that can be observed or corroborated in the marketplace, such as market interest rates or forward prices for commodities.

Level 3 – Inputs for the asset or liability are not based on observable market data.

The fair value of the Company's cash and cash equivalents, trade and other receivables, and accounts payable and accrued liabilities balances approximate their carrying value at June 30, 2024 and December 31, 2023, due to their short term to maturity. The Loan Facility is classified as Level 2 within the fair value hierarchy, and the fair value of the non-current principal amount of \$6.6 million as at June 30, 2024 is estimated as \$6.1 million (December 31, 2023 – \$7.2 million). The embedded derivative liability of the convertible debentures is classified as Level 2 within the fair value hierarchy, and its fair value is determined as at each period end.

**17. Supplementary cash flow information:**

For the three and six months ended June 30, 2024, the Company received interest income of \$0.04 million and \$0.09 million, respectively (2023 – \$0.02 million and \$0.05 million, respectively), paid interest expense of \$0.2 million and \$0.4 million, respectively (2023 – \$Nil in both periods) on the Loan Facility and recorded estimated current income taxes of \$1.2 million and \$1.6 million, respectively (2023 – \$Nil in both periods).

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**18. Segmented information:**

The Company has the following operating and reporting segments related to foreign subsidiaries, and presents the following segmented information:

<b>(000's)</b>	<b>Corporate</b>	<b>Uzbekistan</b>	<b>Kazakhstan</b>	<b>Turkiye</b>	<b>Total</b>
<b><u>As at June 30, 2024</u></b>					
Exploration and evaluation assets	-	-	324	-	324
Property, plant and equipment	145	12,761	476	6	13,388
Total assets	2,943	36,000	1,650	521	41,114
Total liabilities	14,484	23,847	1,025	1,980	41,336
<b><u>As at December 31, 2023</u></b>					
Exploration and evaluation assets	-	-	283	-	283
Property, plant and equipment	166	-	464	8	638
Total assets	4,842	-	1,528	399	6,769
Total liabilities	6,779	-	743	1,780	9,302

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(000's)	Corporate	Uzbekistan	Kazakhstan	Turkiye	Total
<b>For the three months ended June 30, 2024</b>					
<b>Revenue</b>					
Natural gas sales	-	17,420	-	109	17,529
Condensate sales	-	1,534	-	-	1,534
Royalties	-	(3,490)	-	(14)	(3,504)
<b>Total revenue</b>	<b>-</b>	<b>15,464</b>	<b>-</b>	<b>95</b>	<b>15,559</b>
<b>Expenses</b>					
Production costs	-	7,535	-	185	7,720
Transportation and selling	-	626	-	80	706
General and administrative	12	951	341	83	1,387
Depletion and depreciation	17	191	237	47	492
Stock based compensation	219	-	-	-	219
Finance income	(43)	(874)	(1)	(5)	(923)
Finance expense	606	144	-	19	769
Finance exchange gain (loss)	52	22	(32)	1	43
Loss on embedded derivative	568	-	-	-	568
Other expense	-	1,870	-	-	1,870
Net monetary loss	-	-	-	(11)	(11)
Income (loss) before taxes	(1,431)	4,999	(545)	(304)	2,719
Current income tax expense	-	1,156	-	-	1,156
<b>Net income (loss)</b>	<b>(1,431)</b>	<b>3,843</b>	<b>(545)</b>	<b>(304)</b>	<b>1,563</b>
<b>For the three months ended June 30, 2023</b>					
<b>Revenue</b>					
Natural gas sales	-	-	-	15	15
Condensate sales	-	-	-	(3)	(3)
Royalties	-	-	-	(1)	(1)
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>
<b>Expenses</b>					
Production costs	-	-	-	164	164
Transportation and selling	-	-	-	1	1
General and administrative	807	-	200	119	1,126
Depletion and depreciation	32	-	2	483	517
Stock based compensation	66	-	-	-	66
Finance income	(22)	-	-	-	(22)
Finance expense	58	-	-	-	58
Finance exchange gain	(55)	-	-	-	(55)
Gain on property, plant and equipment sales	-	-	(133)	-	(133)
Net monetary loss	-	-	-	376	376
<b>Net income (loss)</b>	<b>(886)</b>	<b>-</b>	<b>(69)</b>	<b>(1,132)</b>	<b>(2,087)</b>

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(000's)	Corporate	Uzbekistan	Kazakhstan	Turkiye	Total
<b>For the six months ended June 30, 2024</b>					
<b>Revenue</b>					
Natural gas sales	-	23,985	-	270	24,255
Condensate sales	-	2,181	-	-	2,181
Royalties	-	(4,821)	-	(35)	(4,856)
<b>Total revenue</b>	<b>-</b>	<b>21,345</b>	<b>-</b>	<b>235</b>	<b>21,580</b>
<b>Expenses</b>					
Production costs	-	9,860	-	356	10,216
Transportation and selling	-	857	-	142	999
General and administrative	1,378	1,302	647	160	3,487
Depletion and depreciation	34	260	268	175	737
Stock based compensation	344	-	-	-	344
Finance income	(82)	(1,208)	(2)	(7)	(1,299)
Finance expense	991	184	-	37	1,212
Finance exchange gain (loss)	165	26	(20)	(10)	161
Loss on embedded derivative	568	-	-	-	568
Other expense	-	1,870	-	-	1,870
Net monetary loss	-	-	-	(4)	(4)
Income (loss) before taxes	(3,398)	8,194	(893)	(614)	3,289
Current income tax expense	-	1,635	-	-	(1,635)
<b>Net income (loss)</b>	<b>(3,398)</b>	<b>6,559</b>	<b>(893)</b>	<b>(614)</b>	<b>1,654</b>
<b>For the six months ended June 30, 2023</b>					
<b>Revenue</b>					
Natural gas sales	-	-	-	411	411
Condensate sales	-	-	-	12	12
Royalties	-	-	-	(60)	(60)
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>	<b>363</b>
<b>Expenses</b>					
Production costs	-	-	-	402	402
Transportation and selling	-	-	-	11	11
General and administrative	1,610	-	388	272	2,270
Depletion and depreciation	66	-	4	672	742
Stock based compensation	177	-	-	-	177
Finance income	(50)	-	-	-	(50)
Finance expense	78	-	-	-	78
Finance exchange gain	(59)	-	-	-	(59)
Gain on property, plant and equipment sales	-	-	(133)	-	(133)
Net monetary gain	-	-	-	(150)	(150)
<b>Net income (loss)</b>	<b>(1,822)</b>	<b>-</b>	<b>(259)</b>	<b>(844)</b>	<b>(2,925)</b>

**19. Subsequent event:**

In July 2024, 23,100 stock options were exercised for proceeds of \$0.01 million.