Management's Discussion and Analysis
For the years ended December 31, 2024 and 2023
Dated March 20, 2025

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Energies Inc. ("Condor" or the "Company") is an internationally focused energy transition company incorporated on October 20, 2006 that is uniquely positioned on the doorstep of European and Asian markets with three distinct first-mover energy security initiatives: increasing natural gas and condensate production from its existing fields in Uzbekistan; an ongoing project to construct and operate Central Asia's first LNG 'lower carbon fuel' diesel substitution facility in Kazakhstan; and a separate initiative to develop and produce critical minerals from brines in Kazakhstan. Condor has built a strong foundation for reserves, production and cashflow growth while also striving to minimize its environmental footprint.

Condor is a publicly traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "CDR". Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at: www.sedarplus.ca.

The Company's Management's Discussion and Analysis ("MD&A") which follows should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A is dated March 20, 2025, the date that Condor's Board of Directors approved the Financial Statements and MD&A.

All financial amounts are in Canadian dollars, unless otherwise stated.

OVERALL PERFORMANCE

Highlights

- Production in Uzbekistan for the fourth quarter of 2024 averaged 10,511 boe/d comprised of 61,275 Mcf/d (10,212 boe/d) of natural gas and 299 bopd of condensate from the eight fields the Company operates.
- Production in Uzbekistan for March 2025 month-to-date has averaged 12,019 boe/d due to highly capital efficient workover successes. A recent workover has increased daily production to 12,288 boe/d over the past five days.
- Uzbekistan gas and condensate sales for the fourth quarter of 2024 was $20.93 million.
- In June 2024, the Company initiated a multi-well workover program in Uzbekistan. A second workover rig began operations in late October 2024.
- The Company received two natural gas allocations in Kazakhstan (January 2024 and September 2024) to be used as feed gas for two of the Company's modular liquefied natural gas ("LNG") production facilities.

- In July 2024, Condor signed its first LNG Framework Agreement for the production and utilization of LNG to fuel Kazakhstan's rail locomotives.
- In December 2024, the Company completed a brokered private placement of 10,198,582 common shares of the Company at a price of $1.90 per common share for gross proceeds of $19.4 million and incurred share issue costs of $1.3 million resulting in net proceeds of $18.1 million.
- As of December 31, 2024, total gross company proved plus probable reserves for the eight Uzbekistan fields determined by independent reserves evaluator McDaniel & Associates Consultants Ltd are 18.5 million boe.
- On February 24, 2025, Condor was awarded a second critical minerals mining license in Kazakhstan for a 100% working interest in the exploration rights for mining solid minerals for a six-year term within a 6800-hectare area (the "Kolkuduk" license).
- In March 2025, the Company signed a non-binding letter of intent outlining the basic terms and conditions for the purchase of a modular LNG facility capable of producing 48,000 gallons (80 MT) per day.

Production in Uzbekistan

On January 30, 2024, the Company executed a production enhancement services contract with JSC Uzbekneftegaz to increase the production, ultimate recovery and overall system efficiency from an integrated cluster of eight conventional natural gas-condensate fields in Uzbekistan (the "PEC Project").

Production for the fourth quarter of 2024 averaged 10,511 boe/d, comprised of 61,275 Mcf/d (10,212 boe/d) of natural gas and 299 bopd of condensate. Since assuming operations on March 1, 2024, the Company has flattened the natural production decline rates, which previously exceeded twenty percent annually.

In late June 2024, the Company initiated a multi-well workover campaign for the eight fields including installing proven artificial lift equipment, perforating newly identified pay intervals, performing downhole stimulation treatments, and installing new production tubing. Based on early successes, a second workover rig was contracted and began operating in late October 2024. The workover campaign is proving to be highly capital efficient.

In early November 2024, the Company commissioned Uzbekistan's first in-field flowline water separation system which separates water from the gas streams at the field gathering network rather than at the production facility. This reduces pipeline flow pressure that can lead to higher reservoir flow rates. Additional separation units have been ordered and will be installed in the coming months. The existing pipeline and facilities infrastructure are also being evaluated to optimize water-handling, determine long term field compression requirements, and to enhance in-field gathering networks. Production in Uzbekistan for March 2025 month-to-date has averaged 12,019 boe/d due to continued capital efficient workover successes. A recent workover has increased daily production to 12,288 boe/d over the past five days. At least six additional well candidates have been identified with similar geologic characteristics using a combination of legacy data and reprocessed 3-D seismic data. Over the coming weeks, these wells will be evaluated to identify potential pay intervals and perforated accordingly.

Extensive geological evaluations that have been performed, coupled with recent workover results, suggest that material untapped hydrocarbon potential exists within the Jurassic carbonate platforms and Cretaceous clastic formations of the Company's 279 km^2 license area. The carbonate platforms contain thick reservoir sections interbedded with laterally extensive evaporite layers, creating ideal conditions for hydrocarbon trapping. The reservoirs are analogous to carbonate formations in Canada's Western Canada Sedimentary Basin, such as Charlie Lake and Midale, which continue to be successfully monetized. Cretaceous-aged, stacked channel sands that had not previously been evaluated have also been tested recently. Despite gas flowing to surface, wellhead pressures were not sufficient to match the existing flowline gathering system pressures due to suspected mechanical reasons. Given that gas presence was confirmed at surface, Condor will further evaluate these Cretaceous channel sands, which have not been included in the 2024 independent reserves evaluation.

By leveraging the geological similarities to Western Canada, the Company is maturing a vertical, horizontal and multi-lateral drilling campaign to commence in 2025. The Company is reprocessing existing 3-D seismic data which is providing higher vertical and lateral resolution and has significantly improved imaging to more accurately map gas reservoirs. This enhanced data is being applied to both the ongoing workover program and the upcoming infill drilling and well deepening programs. Proven Western drilling equipment and techniques will be implemented for this multi-well campaign, long lead items including tubulars and wellheads have been ordered and drilling rig contracting activities are underway.

LNG in Kazakhstan

Condor is planning to construct Kazakhstan's first LNG facilities and produce, distribute, and sell LNG to offset industrial diesel usage in the country. LNG applications include rail locomotives, long-haul truck fleets, marine vessels, mining equipment, municipal bus fleets, and other heavy equipment and machinery with high-horsepower engines. These applications have all successfully used LNG fuel in other countries.

In March 2025, the Company signed a non-binding letter of intent outlining the basic terms and conditions for the purchase of a modular LNG facility capable of producing 48,000 gallons (80 MT) per day. Construction of this facility is ongoing, and fabrication works are expected to be completed in the fourth quarter of 2025. The facility and supporting equipment will then be shipped to Kazakhstan for assembly and commissioning with LNG production expected in the first half of 2026. The Company is finalizing certain technical specifications for the facility prior to signing definitive purchase agreements with the manufacturer. Concurrently, the Company is in the process of securing LNG off-taker agreements for the initial LNG production and advancing funding alternatives for this project.

In August 2024, the Company received a second natural gas allocation in Kazakhstan to be used as feed gas for the Company's second modular LNG production facility that will be located near the Kuryk Port on the Caspian Sea. When combined with the first gas allocation disclosed in January 2024 for the Alga LNG facility, the total LNG fuel produced will have an energy-equivalent volume of over one million litres of diesel daily, while also reducing CO_2 emissions equivalent to removing more than 38,000 cars from the road annually.

In July 2024, the Company signed its first LNG Framework Agreement (the "Framework Agreement") for the production and utilization of LNG to fuel Kazakhstan's rail locomotives. The Framework Agreement was also signed by Kazakhstan Temir Zholy National Company JSC ("KTZ"), the national railway operator of Kazakhstan and Wabtec Corporation ("Wabtec") (NYSE: WAB), a U.S. based locomotive manufacturer with existing facilities in Kazakhstan. KTZ and Wabtec previously signed a memorandum of understanding which includes modernization work to retrofit KTZ's mainline locomotive fleet for LNG usage and incorporate LNG into new-build locomotives. The Framework Agreement introduces Condor into this locomotive fleet modernization strategy as the supplier and distributor of the LNG.

The Framework Agreement is critical to supplying a stable, economic and more environmentally friendly fuel source for the Transcaspian International Transport Route ("TITR") expansion, which is currently the shortest, fastest and most geopolitically secure transit corridor for moving freight between Asia and Europe. The Government of Kazakhstan and KTZ are making significant investments in TITR infrastructure, including expanding the rail network, constructing a new dry port at the Kazakhstan – China border, and increasing the container-handling capacities at various Caspian Sea ports.

Critical Minerals Licenses in Kazakhstan

The Company holds a 100% working interest in two contiguous critical minerals mining licenses which provide subsurface exploration rights for solid minerals including lithium, for respective six-year terms. The 37,300-hectare Sayakbay license was awarded in July 2023 and the nearby 6,800-hectare Kolkuduk license was awarded in February 2025.

A prior well drilled in the Kolkuduk license territory for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of up to 130 milligrams per litre as reported by the Ministry of Geology of the Republic of Kazakhstan. A 1,000-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. At Sayakbay, a prior legacy well drilled 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. Other critical minerals identified at the Kolkuduk and Sayakbay licenses include rubidium, strontium and cesium.

The Company is not treating these historical estimates as current mineral resources or mineral reserves as additional drilling and testing is necessary, and a qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. It is uncertain if further drilling will result in either area being delineated as a mineral resource or reserve. The historical lithium concentration estimates should not be relied upon as indicative of the actual lithium concentration or the likelihood that the Company will be able to achieve similar production results.

The initial development plan for Sayakbay 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 resource or mineral reserves report compliant with *National Instrument 43-101 Standards of Disclosure for Mineral Projects*. The initial development plan for the Kolkuduk license acquired in February 2025 has yet to be determined.

Private Placement of common shares in December 2024

On December 9, 2024, the Company completed a brokered private placement (the "2024 Private Placement") and issued 10,198,582 common shares at a price of $1.90 per share for gross proceeds of $19.4 million and incurred share issue costs comprising broker and advisory fees, legal costs and listing fees of $1.3 million resulting in net proceeds of $18.1 million. Of the shares issued, 4,935,432 have a hold period of four months and one day which expires on April 10, 2025.

In connection with the 2024 Private Placement, the Company issued 221,163 broker warrants exercisable into 221,163 common shares of the Company at $2.20 per common share on or before December 9, 2026.

Convertible Debentures issued in March 2024

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% payable in cash semi-annually in arrears, mature in three years, and the principal amount is convertible at any time on or before the maturity date at a conversion price of USD $1.61676 per common share. The Company can force conversion of the Debentures if the 20-day volume weighted average trading price of the Company's shares on the TSX exceeds CAD $3.00. The proceeds are available for general corporate purposes and the Debentures have no associated financial covenants.

SELECTED FINANCIAL INFORMATION

As at, and for the years ended December 31,

($000's except for share amounts)	2024	2023	2022
Natural gas and condensate sales	66,626	643	3,607
Total revenue (sales less royalties)	54,323	552	3,119
Net income (loss)	3,493	(11,392)	(3,064)
Net loss attributable to common shareholders	(4,072)	(11,392)	(3,064)
Net loss per share (basic and diluted)	(0.07)	(0.20)	(0.07)
Total assets	66,607	6,769	10,062
Non-current financial liabilities	9,364	5,504	99

RESULTS OF OPERATIONS

Reserves

The Company's 2024 reserves, all in Uzbekistan, were evaluated by independent reserves evaluator McDaniel & Associates Consultants Ltd. (see "Reserves Advisory"). The gross Company reserves as of December 31, 2024 are summarized by volume and net present value (after tax) discounted at 10% ("NPV10") in USD as follows:

Gross Company Reserves as of December 31, 2024	Gas (MMcf)	Condensate (Mbbl)	Boe Reserves (Mboe)	NPV 10 Before Tax (in USD 000's)
Proved	89,161	366	15,227	34,828
Probable	18,591	120	3,278	15,547
Proved plus Probable	108,112	486	18,505	50,375

(* based on gas/boe conversion of 6 to 1)

During the fourth quarter of 2023, the recoverable amount of the Company's properties in Türkiye were deemed to be $Nil and there are no economic reserves attributed to the Poyraz Ridge or Destan properties as of December 31, 2023.

Production

For the three months ended December 31	2024	2023	Change
Natural gas (Mcf)			
Uzbekistan	5,637,255	-	5,637,255
Türkiye	2,154	4,533	(2,379)
	5,639,409	4,533	5,634,876
Condensate (barrels)			
Uzbekistan	27,541	-	27,541
Türkiye	-	-	-
	27,541	-	27,541

For the years ended December 31	2024	2023	Change
Natural gas (Mcf)			
Uzbekistan	18,431,933	-	18,431,933
Türkiye	29,478	38,097	(8,619)
	18,461,411	38,097	18,423,314
Condensate (barrels)			
Uzbekistan	77,386	-	77,386
Türkiye	-	9	(9)
	77,386	9	77,377

Production enhancement operations commenced in Uzbekistan on March 1, 2024 and natural gas production was 5,637,255 Mcf or an average of 61,274 Mcf/d for the three months ended December 31, 2024 and 18,431,933 Mcf or an average of 60,235 Mcf/d for the period from March 1, 2024 to December 31, 2024. Associated condensate production was 27,541 barrels or an average of 299 bopd for the three months ended December 31, 2024 and 77,386 barrels or an average of 253 bopd for the period from March 1, 2024 to December 31, 2024.

Natural gas production in Türkiye decreased 52% to 2,154 Mcf or an average of 23 Mcf/d day for the three months ended December 31, 2024 from 4,533 Mcf or an average of 49 Mcf/d in the same period in 2023, and decreased 23% to 29,478 Mcf or an average of 81 Mcf/d for the year ended December 31, 2024 from 38,097 Mcf or an average of 104 Mcf/d in the same period in 2023. The production decline is due mainly to the maturing Poyraz Ridge field which has been producing for seven years with water production and natural pressure declines impeding gas production rates, along with the neighbouring Destan field being temporarily suspended in August 2024.

Operating Netback – Uzbekistan

2024 Operating netback[1,2]	**Uzbekistan Natural Gas**	
	Q4 2024	**YTD 2024**
Natural gas sales ($000's)	18,731	60,135
Royalties ($000's)	(3,435)	(11,039)
Production costs ($000's)	(7,988)	(25,064)
Transportation and selling ($000's)	(657)	(2,129)
Operating netback ($000's)[1,2]	6,651	21,903
Natural gas sales (Mcf)	5,255,725	17,149,079
Natural gas sales ($/Mcf)	3.56	3.51
Royalties ($/Mcf)	(0.65)	(0.64)
Production costs ($/Mcf)	(1.52)	(1.46)
Transportation and selling ($/Mcf)	(0.13)	(0.12)
Operating netback ($/Mcf)[1,2]	1.26	1.29

2024 Operating netback[1,2]	**Uzbekistan Condensate**	
	Q4 2024	**YTD 2024**
Condensate sales ($000's)	2,199	6,097
Royalties ($000's)	(440)	(1,211)
Production costs ($000's)	(184)	(508)
Transportation and selling ($000's)	(10)	(29)
Operating netback ($000's)[1,2]	1,565	4,349
Condensate sales (bbl)	26,823	76,544
Condensate sales ($/bbl)	81.98	79.65
Royalties ($/bbl)	(16.40)	(15.82)
Production costs ($/bbl)	(6.86)	(6.64)
Transportation and selling ($/bbl)	(0.37)	(0.38)
Operating netback ($/bbl)[1,2]	58.35	56.81

2024 Operating netback reconciliation to the Uzbekistan segmented information for the year ended December 31, 2024 [1,2,3]	**Natural Gas**	**Condensate**	**Total**
Natural gas sales ($000's)	60,135	6,097	66,232
Royalties ($000's)	(11,039)	(1,211)	(12,250)
Production costs ($000's)	(25,064)	(508)	(25,572)
Transportation and selling ($000's)	(2,129)	(29)	(2,158)
Operating netback ($000's)[1]	21,903	4,349	26,252

1 Operating netback is a non-GAAP measure and is a term with no standardized meaning as prescribed by GAAP and may not be comparable with similar measures presented by other issuers. See "Non-GAAP Financial Measures" in this MD&A. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.

2 Amounts and per unit measures are only presented for the Uzbekistan segment.

3 Reconciliation to the respective financial statement amount for each netback component for the Uzbekistan segment.

Sales

For the three months ended December 31	**2024**	**2023**	**Change**
Natural gas ($000's)			
Uzbekistan	18,731	-	18,731
Türkiye	52	51	1
	18,783	51	18,732
Condensate ($000's)			
Uzbekistan	2,199	-	2,199
Türkiye	-	-	-
	2,199	-	2,199

For the years ended December 31	2024	2023	Change
Natural gas ($000's)			
Uzbekistan	60,135	-	60,135
Türkiye	394	613	(219)
	60,529	613	59,916
Condensate ($000's)			
Uzbekistan	6,097	-	6,097
Türkiye	-	30	(30)
	6,097	30	6,067

Natural gas sales in Uzbekistan amounted to $18.73 million on 5,255,725 Mcf or $3.56 per Mcf for the three months ended December 31, 2024 and $60.14 million on 17,149,079 Mcf or $3.51 per Mcf for the period from March 1, 2024 to December 31, 2024. Condensate sales were $2.20 million on 26,823 barrels or $81.98 per barrel for the three months ended December 31, 2024 and $6.10 million on 76,544 barrels or $79.65 per barrel for the period from March 1, 2024 to December 31, 2024.

Natural gas sales in Türkiye were $0.05 million on 1,436 Mcf for the three months ended December 31, 2024 from $0.05 million on 3,448 Mcf in the same period in 2023, and decreased to $0.39 million on 25,464 Mcf for the year ended December 31, 2024 from $0.61 million on 31,671 Mcf in the same period in 2023, due mainly to the lower natural gas volumes and realized sales prices in 2024. Excluding the respective inflation adjustment impact on gas sales for each period, realized gas prices decreased to $12.25 per Mcf for the three months ended December 31, 2024 from $14.79 per Mcf in the same period in 2023, and decreased to $13.35 per Mcf for year ended December 31, 2024 from $20.30 per Mcf in the same period in 2023. There were no condensate sales in Türkiye for the three months and year ended December 31, 2024 compared to $Nil and $0.03 million, respectively, for the same periods in 2023.

Marketing

In Uzbekistan, natural gas is collected by gathering lines into two in-field facilities for initial processing to remove water and condensate and then transported by pipeline to a nearby third-party facility for further processing and onward transport by pipeline to the designated delivery point. Natural gas sales are domestic sales at local market prices. A portion of the associated condensate is separated from the natural gas at the two in-field facilities and the remainder is separated and processed at the third-party facility. Condensate is sold to the buyer directly at each of the three facilities and the buyer is responsible for all onward transportation costs. Condensate sales prices are based upon Brent Crude less a discount for processing, transportation and marketing.

In Türkiye, natural gas sales are domestic sales via pipeline at Turkish Lira denominated prices published monthly by the state-owned pipeline transportation company BOTAS Petroleum Pipeline Corporation ("BOTAS"). The benchmark for Condor's gas sales is BOTAS Level 2 wholesale tariffs less a marketing differential. Natural gas from the neighbouring Destan gas field is produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and is marketed along with Poyraz Ridge gas production which is directly tied into the gas plant. Associated condensate is compressed and trucked to a near-by facility for blending, storage and onward sales at prices based on the nearest accessible global free market and determined by a formula provided for under the Petroleum Market Law and published monthly in Turkish Lira by the Turkish Petroleum Corporation, the Turkish national oil company.

Royalties

Royalties and production entitlements in Uzbekistan were $3.88 million for the three months ended December 31, 2024 and $12.25 million for the period from March 1, 2024 to December 31, 2024. The Company is subject to a total royalty and production entitlement rate of 20% on the natural gas and condensate produced based on realized sales prices less certain adjustments for processing and transportation costs.

In Türkiye, the Company is subject to a 12.5% royalty rate on natural gas and condensate sales. Royalties in Türkiye were $0.01 million for the three months ended December 31, 2024 compared to $0.01 million for the same period in 2023 and decreased to $0.05 million for the year ended December 31, 2024 from $0.09 million for the same period in 2023 due primarily to lower natural gas production and sales prices in 2024.

Production costs

Production costs to produce natural gas in Uzbekistan were $7.99 million or $1.52 per Mcf for the three months ended December 31, 2024 and $25.06 million or $1.46 per Mcf for the period from March 1, 2024 to December 31, 2024. Production costs to produce condensate in Uzbekistan were $0.18 million or $6.86 per boe for the three months ended December 31, 2024 and $0.51 million or $6.64 per boe for the period from March 1, 2024 to December 31, 2024. Production costs in Uzbekistan comprise mainly facility, processing, compression, personnel and maintenance costs.

Total production costs in Türkiye were $0.20 million for the three months ended December 31, 2024 compared to $0.16 million for the same period in 2023 and decreased to $0.72 million for the year ended December 31, 2024 from $0.82 million for the same period in 2023, primarily due to lower sales volumes. Production costs are primarily fixed in nature and are comprised mainly of field personnel, fuel, utilities, chemicals, water disposal, safety and maintenance costs.

Transportation and selling

Transportation and selling costs in Uzbekistan for natural gas were $0.66 million or $0.13 per Mcf for the three months ended December 31, 2024 and $2.13 million or $0.12 per Mcf for the period from March 1, 2024 to December 31, 2024. Transportation and selling costs for condensate were $0.01 million or $0.37 per boe for the three months ended December 31, 2024 and $0.03 million or $0.38 per boe for the period from March 1, 2024 to December 31, 2024. These costs are comprised of pipeline costs to deliver natural gas and associated condensate to the processing facilities and to deliver natural gas onwards to the designated delivery point.

Transportation and selling costs in Türkiye on natural gas sales were $0.02 million or $0.61 per Mcf for the three months ended December 31, 2024 compared to less than $0.01 million or $0.29 per Mcf for the same period in 2023 and increased to $0.21 million or $7.24 per Mcf for the year ended December 31, 2024 from $0.02 million or $0.47 per Mcf for the same period in 2023. Transportation and selling expenses on natural gas sales are comprised of pipeline transmission fees and compressed natural gas trucking costs on Destan sales and on condensate sales are comprised of trucking, blending, storage and loading costs. These costs were higher in 2024 due mainly to the higher proportion of sales from Destan which requires additional trucking costs.

General and administrative

General and administrative expenses, comprised mainly of personnel, professional services, office, and travel costs, increased to $9.33 million for the year ended December 31, 2024 from $5.03 million in 2023 primarily due to higher personnel, consultants, professional services, travel and office costs in 2024 related to the Uzbekistan project and higher costs in 2024 related to other new business initiatives.

Exploration and evaluation ("E&E")

E&E impairment for the year ended December 31, 2023 is comprised of $3.3 million related to the Yakamoz prospect in Türkiye. The Company determined that indicators of impairment existed related to the delays in obtaining the operating license extension and a shift in the Company's future development plans to focus more on the Uzbekistan project, and LNG and the Lithium License in Kazakhstan. An impairment test was performed and resulted in the full impairment of the Yakamoz prospect as of December 31, 2023.

Depletion and depreciation

Depletion and depreciation increased to $5.77 million for the year ended December 31, 2024 from $1.57 million in 2023 and comprise mainly depletion and depreciation in Uzbekistan and decommissioning costs in Turkiye and Kazakhstan for 2024 versus the Turkiye properties being fully impaired as at December 31, 2023 and decommissioning costs in Turkiye and Kazakhstan for 2023. 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 year ended December 31, 2024, the related amount expensed was $0.3 million in Turkiye (2023 – $0.8 million) and $1.9 million in Kazakhstan (2023 – $0.4 million).

Impairment expense

Impairment expense for the year ended December 31, 2023 is comprised of $1.2 million related to the Poyraz Ridge CGU in Türkiye. The Company determined that indicators of impairment existed related to declining gas production, negative operating results and changes in the Company's future development plans. An impairment test was performed, and the properties were fully written off as the recoverable amount was deemed to be $Nil and the Company had no economic reserves as of December 31, 2023.

Stock based compensation

Stock based compensation expense was $0.70 million for the year ended December 31, 2024 compared to $0.73 million in 2023. The expense is recognized on a graded basis and fluctuates based on the fair value of stock options determined at the date of grant, timing of the grants, vesting periods and estimated forfeiture rates.

Finance income

Finance income increased to $3.31 million for the year ended December 31, 2024 from $0.19 million in 2023 primarily due to the non-cash finance income related to the initial gain on the recognition of certain deferred PEC Project payments and interest income earned on cash and cash equivalents and other long-term assets. Certain of the Company's PEC Project payment obligations are deferred and the total undiscounted cash outflows required to settle these obligations are $5.88 million and are due between March 2029 and December 2029. These liabilities are recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16%. The difference between fair value and undiscounted payment obligations is recorded as non-cash finance income.

Finance expense

Finance expense increased to $2.96 million for the year ended December 31, 2024 from $0.76 million in 2023, primarily due to the effective interest expense on the Loan Facility and convertible debentures totalling $2.19 million for the year ended December 31, 2024 (2023 – $0.69 million). In Uzbekistan, accretion of provisions was $0.39 million for the year ended December 31, 2024 (2023 – $Nil) and accretion of other long-term liabilities was $0.27 million for the year ended December 31, 2024 (2023 – $Nil).

The Company had no risk management contracts that would be affected by interest rates in place during the years ended December 31, 2024 and 2023.

Foreign currency exchange gains and losses

The foreign exchange loss of $1.21 million for the year ended December 31, 2024 compared to a gain of $0.15 million in 2023 is due primarily to the USD denominated Loan Facility and convertible debentures partially offset by USD cash and cash equivalents held by the Company. 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 Türkiye are denominated in TRL.

The Company had no forward exchange rate contracts in place at or during the years ended December 31, 2024 and 2023.

Unrealized loss on embedded derivative:

The conversion feature in the convertible debentures 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 as an unrealized gain or loss. The Company recognized an unrealized loss on embedded derivative of $0.69 million for the year ended December 31, 2024 (2023 – $Nil).

Other expense

Other expense of $1.92 million for the year ended December 31, 2024 (2023 – $Nil) relates to the termination and settlement agreement as described in Note 13 to the Financial Statements.

Net monetary gain

The Company recognized a net monetary gain of $0.09 million for the year ended December 31, 2024 (2023 – $1.0 million) due to an increase in the Turkish inflation rate of approximately 44% (2023 – 65%) for the year ended December 31, 2024.

Income taxes

Income tax expense for the year ended December 31, 2024 is comprised of current income tax expense of 3.2 million (2023 – $Nil) and deferred income tax recovery of 0.2 million (2023 – $Nil) related to Uzbekistan, where the tax rate is 15% of estimated taxable income. The Company has not recognized the tax benefits associated with the operating activities of other business segments.

Non-controlling interest ("NCI"):

A third-party NCI shareholder holds 49% of the shares of Condor Natural Gas B.V. ("CNG"), the sole shareholder of the Company's subsidiary which is conducting the production enhancement services under the PEC Project in Uzbekistan. The NCI is allocated 49% of the comprehensive income of CNG commencing March 1, 2024.

A third-party NCI shareholder holds 10% of the shares of Condor LNG Ltd. ("CLNG"), the sole shareholder of two Kazakhstan subsidiaries which are developing liquefied natural gas facilities in Kazakhstan. The NCI is allocated 10% of the comprehensive income (loss) of CLNG commencing April 24, 2024.

NON-GAAP FINANCIAL MEASURES

The Company refers to "operating netback" in this MD&A, a term with no standardized meaning as prescribed by GAAP and which may not be comparable with similar measures presented by other issuers. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. Operating netback is calculated as sales less royalties, production costs and transportation and selling on a dollar basis and divided by the sales volume for the period on a per Mcf basis for natural gas and per boe basis for condensate. The reconciliation of this non-GAAP measure is presented in the "Operating Netback" section of this MD&A. This non-GAAP measure is commonly used in the oil and gas industry to assist in measuring operating performance against prior periods on a comparable basis and has been presented to provide an additional measure to analyze the Company's sales on a per unit basis and the Company's ability to generate funds.

LIQUIDITY AND CAPITAL RESOURCES

The Company commenced production enhancement services under the PEC Project in Uzbekistan in March 2024 and is responsible for all capital expenditures and operating costs of the project. In June 2024, the Company initiated a multi-well workover campaign for the eight fields and intends to continue and expand the ongoing workover program in 2025 comprised of installing various artificial lift equipment, perforating previously non-depleted and bypassed pay zones, performing downhole stimulation treatments, and isolating identified water intervals. The Company also plans to install additional in-field flowline water separation systems and field equipment, upgrading field facilities and to commence a multi-well drilling program.

The Company has an LNG initiative in Kazakhstan and is seeking to produce and deliver LNG to displace diesel fuel usage in Central Asia.

The Sayakbay exploration 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 Kolkuduk exploration license in Kazakhstan contains contractual work commitments of approximately $0.05 million per annum during the first three years and $0.1 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.

These initiatives will require the Company to use a combination of cash on hand, increase cashflows from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. There is no assurance that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

At December 31, 2024, the Company had a deficit of $3.89 million after taking into account the deficit reduction of $219.39 million. For the year ended December 31, 2024, the Company reported net income of $3.49 million (2023: net loss of $11.39 million) and cash from (used in) operating activities of $5.36 million (2023 – ($5.35) million). The Company's working capital balance has increased from $3.62 million as at December 31, 2023 to $25.98 million as at December 31, 2024, primarily as a result of completing the Private Placement and commencing the PEC Project in Uzbekistan.

COMMITMENTS AND CONTINGENT LIABILITIES

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 the Company had applied for an extension to each license in December 2022. The extension for each license was granted by the competent authority in Turkiye in March 2025 confirming the Poyraz Ridge license is valid until June 2035 and the Destan license is valid until June 2030. There are no work commitments related to the Poyraz Ridge operating license, the Yakamoz prospect or the Destan operating license.

The Sayakbay exploration 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 Kolkuduk exploration license in Kazakhstan contains contractual work commitments of approximately $0.05 million per annum during the first three years and $0.1 million per annum during the final three years of the six-year term.

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 year end is as follows:

Carrying amounts as at December 31 (000's)	**2024**	**2023**
Cash and cash equivalents	27,841	5,043
Trade and other receivables	17,617	21
Other long term assets	279	269
	45,737	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 year ended December 31, 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 sales transactions are subject to concentration risk. As at December 31, 2024, these three customers represented 99% of outstanding trade receivables (December 31, 2023: one customer – 79%).

Credit risk is mitigated by management's policies and practices. Natural gas and condensate produced in Uzbekistan are 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 December 31, 2024, the Company had a deficit of $3.89 million after taking into account the deficit reduction of $219.39 million. For the year ended December 31, 2024, the Company reported net income of $3.49 million (2023: net loss of $11.39 million) and cash from (used in) operating activities of $5.36 million (2023 – ($5.35) million). The Company's working capital balance has increased from $3.62 million as at December 31, 2023 to $25.98 million as at December 31, 2024, primarily as a result of completing the Private Placement and commencing the PEC Project in Uzbekistan.

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)	**Less than 1 year**	**Greater than 1 year**	**Total**
As at December 31, 2024			
Accounts payable and accrued liabilities	9,844	-	9,844
Lease liabilities	282	480	762
Loan facility	2,182	5,936	8,118
Convertible debentures	171	6,864	7,035
Other long-term liabilities	719	7,467	8,186

As at December 31, 2023			
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 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 years ended December 31, 2024 and 2023.

During the year ended December 31, 2024, the CAD depreciated from 1.32 per 1.00 USD to 1.44, the KZT depreciated from 454.6 per 1.00 USD to 521.8, and the TRL depreciated from 29.4 per 1.00 USD to 35.2, which led to a foreign exchange loss of $1.21 million (2023 – gain of $0.15 million) related mainly to the USD denominated Loan Facility and Debentures, partially offset by USD cash and cash equivalents held by the Company.

During the year ended December 31, 2024, the CAD depreciated from 1.32 per 1.00 USD to 1.44, the KZT depreciated from 343.1 per 1.00 CAD to 363.9, and the TRL depreciated from 22.2 per 1.00 CAD to 24.4, resulting in a $1.04 million translation gain adjustment through equity (2023 – $0.48 million translation loss).

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 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 years ended December 31, 2024 and 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 years ended December 31, 2024 and 2023.

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.

HEALTH RISK MANAGEMENT

Condor has offices, activities and operations in various areas in Canada, Türkiye, Kazakhstan and Uzbekistan. Company personnel are stationed and work and travel to and from these locations as required. Such personnel are exposed from time to time to concentrated groups of people at various locations both within and outside the Company's direct control, for varying lengths of time. Any personnel or visitors that become infected with a serious illness that has the potential to spread rapidly throughout the organization could place the personnel and the operations of the Company at risk.

Although the Company takes precautions and follows industrial hygiene and occupational health guidelines, there can be no assurance that an infectious illnesses will not negatively impact Condor's personnel or its operations and may in the future result in fluctuating demand for oil and gas, volatile oil and gas prices and the implementation of various travel restrictions which constrain or prohibit international travel and limit or forbid movement within the individual countries of operation.

Condor's future operations could be materially impacted by these factors, as well as related emergency measures 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 or 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 illnesses and the availability of goods, works and essential services for the fields of operations; the 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 meet financial and other reporting deadlines; potential decreased interest in and ability to conclude farm-in transactions, potential decreased ability to raise additional capital to fund current operations and new business projects; and the inherent increased risk of information technology failures and cyber-attacks.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2024, there were 67,457,117 common shares of the Company outstanding.

As at the date of this MD&A, there were 67,467,117 common shares of the Company outstanding.

Convertible securities

As at December 31, 2024 the Company has outstanding 5,213,566 stock options with a weighted average exercise price of $0.71 per common share, and as the date of this MD&A, the Company has outstanding 5,203,566 stock options with a weighted average exercise price of $0.71.

As of December 31, 2024 and the date of this MD&A, the Company has outstanding 2,754,498 common share purchase warrants of which:

- 255,000 warrants at an exercise price of $0.48 per common share expire on June 30, 2026;
- 2,278,334 warrants at an exercise price of $0.48 per common share expire on July 14, 2026; and
- 221,163 warrants at an exercise price of $2.20 per common share expire on December 9, 2026.

As at December 31, 2024 and the date of this MD&A, the Company has outstanding convertible debentures convertible into 2,950,336 common shares at a conversion price of US$1.61676 per common share.

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 as of December 31, 2023 of $219.39 million.

Dividends

The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at December 31, 2024.

RELATED PARTY TRANSACTIONS

Key management comprises the executive officers and directors of the Company. Key management's compensation was comprised of $1.8 million of salary and benefits (2023: $0.8 million) and stock-based compensation expense of $0.3 million (2023: $0.5 million). In the event of termination or change of control, members of key management (excluding directors) are each entitled to two years' annual compensation.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to December 31, 2024:

For the quarter ended (000's except per share amounts)	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Sales	20,982	19,208	19,063	7,373	51	169	12	411
Net income (loss) (1)	(1,318)	3,157	1,563	91	(7,615)	(852)	(2,087)	(838)
Net income (loss) per share (2)	(0.06)	0.01	0.00	(0.02)	(0.13)	(0.02)	(0.04)	(0.01)

1 The net income (loss) in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs, exploration and evaluation ("E&E") assets impairment, depletion and depreciation, PP&E impairment expense, net monetary gain (loss) from hyper-inflation accounting in Türkiye, finance expenses from the Loan Facility and convertible debentures, unrealized loss on embedded derivative, finance income, other expense and foreign exchange gains and losses in the respective periods. The net income (loss) amounts include specific significant period items of: $3.3 million E&E impairment and $1.2 million impairment expense in Q4 2023; and significant changes in revenues and expenses from Q1 2024 onwards related to the Company commencing production enhancement activities under the PEC Project in Uzbekistan on March 1, 2024 as described in the relevant sections above in this MD&A.

2 Per share amounts are basic and diluted and attributable to Common shareholders. The Company treats the common shares as either dilutive or anti-dilutive based on net income (loss). If the common shares are anti-dilutive at this level, they are treated as anti-dilutive for all other per share calculations.

CRITICAL ACCOUNTING ESTIMATES

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. Actual results could differ from those estimates as future confirming events occur. Significant assumptions and estimates about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to the carrying amount of assets and liabilities, in the event that actual results differ from assumptions made, are outlined below.

- Impairment testing: estimates include volumes of recoverable reserves and resources, forward natural gas and condensate prices, future operating, royalty, and future development costs, production profiles, discount rates, and consequently fair values of properties. A downward revision in the reserve estimates or future forecast prices or an upward revision to future development costs could result in an asset impairment which would reduce forecasted earnings and the associated net book value of assets;

- Depletion: estimates include the amount of reserve volumes and future development costs. A downward revision in the reserve estimates or an upward revision to future development costs may result in increased depletion and a reduction in net book value of assets if such a revision results in an accounting impairment. Depletion is charged on a unit-of-production basis over the Proved plus Probable reserves for each cash generating unit and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;
- E&E expenditures: costs associated with acquiring oil and gas licenses and exploratory drilling are accumulated as E&E assets pending determination of technical feasibility and commercial viability. Establishment of technical feasibility and commercial viability is subject to judgment and involves management's review of project economics, resource quantities, expected production techniques, production costs and required capital expenditures to develop and extract the underlying resources. Management uses the establishment of commercial reserves within the exploration area as the basis for determining technical feasibility and commercial viability. Upon determination of commercial reserves, E&E assets attributable to those reserves are tested for impairment and reclassified from E&E assets to a separate category within property, plant and equipment referred to as oil and gas properties;
- Identification of Impairment Indicators - E&E assets: the Company assesses its E&E assets to determine whether any indication of impairment exists at the end of each reporting period. Significant judgment is required in determining whether indicators of impairment exist, including factors and considerations such as the remaining period for which the Company has the right to explore, whether expenditures on further exploration and evaluation of properties are budgeted, whether commercially viable quantities of mineral resources have been discovered or whether data exists to suggest the carrying amount is unlikely to be recovered;
- Decommissioning provisions: estimates include the amount and expected timing of asset retirements, discount and inflation rates and future cash flows. As a result of the long term nature of the Company's operations, these estimates may change over time which may result in a change in the decommissioning provision and corresponding asset value, and impact future earnings (loss) as a result of changes in accretion and depletion expense;
- Convertible debentures: The conversion feature associated with the US dollar denominated convertible debentures 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;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives, forfeiture rates and risk free rates. The expense is measured using the Black-Scholes option pricing model, and using an alternate pricing model could produce different results;

- Going concern: estimates include the ability to fund operations by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements;
- Income taxes: tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Changes in the estimate of future taxable income and the recovery of deductible temporary differences may result in the recognition of a deferred tax asset on the statement of financial position and an increase in earnings at the time when the tax recovery is recorded;
- As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company (see Liquidity and Capital Resources)

ADOPTED ACCOUNTING PRONOUNCEMENTS

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. There was no material impact to Condor's consolidated financial statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 18 "Presentation and Disclosure in Financial Statements": On April 9, 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, which will replace International Accounting Standard 1, "Presentation of Financial Statements". IFRS 18 will establish a revised structure for the Consolidated Statements of Income and Comprehensive Income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard is to be applied retrospectively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on the Consolidated Financial Statements.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 which include new requirements for financial institutions and corporate entities to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These new requirements will apply from January 1, 2026, with early application permitted.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS Accounting Standards.

The DC&P have been designed to provide reasonable assurance that material information relating to Condor is made known to the CEO and CFO by others and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by Condor under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO are required to cause the Company to disclose any change in the Company's ICFR that occurred during the most recent period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. During the year ended December 31, 2024, there were no changes to the Company's ICFR that have materially affected or are reasonably likely to materially affect, the Company's ICFR. It should be noted that a control system, including the Company's DC&P and ICFR, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system will be met and it should not be expected that DC&P and ICFR will prevent all errors or fraud.

The CEO and CFO have evaluated the Company's DC&P and ICFR as at December 31, 2024 based on the framework in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, the CEO and CFO concluded that the Company's design and operation of DC&P and ICFR were effective as of December 31, 2024.

BUSINESS RISKS

In the normal course of business, the Company is exposed to a variety of risks and uncertainties. In addition to the risks associated with liquidity and capital resources, critical accounting estimates, financial instruments, credit risk and market risk described in this MD&A, the Company is exposed to various operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect future results. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, the ability to attract and retain employees and contractors on a cost-effective basis, commodity and marketing risk and seasonality. The Company is exposed to considerable risks and uncertainties including, but not limited to:

- finding natural gas, condensate and critical mineral reserves on an economical basis;
- uncertainties related to estimating the Company's reserves;
- financial risks including access to debt or equity markets which the Company is likely dependent upon in order to fully develop the current properties;
- technical problems which could lead to unsuccessful wells, well blowouts and environmental damage;
- obtaining timely regulatory approvals;
- third party related operational risks including the ability to obtain access to wells, access to third party processing facilities, access to pipeline, railway and other transportation infrastructure;
- obtaining qualified personnel, parts, equipment and service providers in a timely and cost efficient manner;
- fluctuations in commodity prices, interest rates and foreign currency exchange rates;
- adverse factors including climate, geographical and weather conditions, natural disasters and labor disputes;
- timing of future debt and other obligations;
- potential for prior year tax re-assessments not aligned with previously filed and assessed periods;
- regulatory legislation and policies, including the fulfillment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- changes to taxation policies, laws and interpretations thereof;
- political risks inherent with international activities and doing business in foreign jurisdictions;
- medical and health risks inherent with international activities and doing business in foreign countries including travel bans or travel restrictions;
- obtaining comprehensive and appropriate insurance coverage at reasonable rates;
- obtaining approval for extensions to development periods;
- obtaining approval for extensions to exploration periods, and, upon commercial discovery, negotiating and signing development contracts;
- negative public or community response to natural gas, condensate and critical minerals exploration, development and production and related environmental impacts could adversely affect Condor's business and the price of its securities; and
- information technology and system risks including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology.

Please see the Company's Annual Information Form, filed on SEDAR+ at www.sedarplus.ca for further discussion on these risks.

GEOPOLITICAL INSTABILITY

On February 24, 2022, Russia began a military operation in Ukraine and the UN General Assembly overwhelmingly condemned the invasion and has called for Russia to immediately and completely withdraw its troops. The United States, the European Union, the United Kingdom, Canada, Australia, Japan, Switzerland, and other countries have imposed new financial and trade sanctions against Russia, including prohibitions or restrictions from doing business anywhere in the world with listed Russian individuals or companies. To-date these events have not impacted the Company's ability to carry on business, there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel, and the enacted sanctions have not affected the Company's operations. The outcome of these events is uncertain at this time and may impact the peace and stability of the region and the world and could affect the global economy including regions and markets in which the Company operates. Any subsequent commodity supply shortages or volatile commodity prices could have adverse impacts on the world economy and the Company's business. If these events continue, re-occur or escalate, they could have a material adverse effect on Condor's business, financial condition or results of operations.

RESERVES ADVISORY

This MD&A includes information pertaining to the Evaluation of Crude Oil and Natural Gas Reserves as of December 31, 2024 prepared by independent reserves evaluator McDaniel & Associates Consultants Ltd. ("McDaniel"). The report was prepared by qualified reserves evaluators in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and is based on McDaniel pricing effective December 31, 2024. Additional reserve information as required under NI 51-101 is included in the Company's Annual Information Form filed on SEDAR+ at: www.sedarplus.ca.

Statements relating to reserves are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated. The reserve estimates described herein are estimates only. The actual reserves may be greater or less than those calculated. Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations, probabilistic methods and analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves.

References herein to barrels of oil equivalent ("boe") are derived by converting gas to oil in the ratio of six thousand standard cubic feet ("Mcf") of gas to one barrel of oil based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf to 1 barrel, utilizing a conversion ratio at 6 Mcf to 1 barrel may be misleading as an indication of value, particularly if used in isolation.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements under applicable securities legislation. Such statements are generally identifiable by the terminology used, such as "expect", "plan", "estimate", "may", "will", "should", "could", "would", "increase", "introduce", "provide", "generate", "apply", "include", "conduct", "prepare", "require", "continue", "reduce", or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, information concerning: the timing and ability to execute the Company's growth and sustainability strategies including the financing for these growth and sustainability strategies; the timing and ability to operate and increase production and overall recovery rates at eight gas fields in Uzbekistan; the timing and ability to deliver repeatable, capital efficient production gains from future workovers; the timing and ability to increase the number of in-field flowline water separation systems; the timing and ability to increase domestic gas supply and contribute to carbon emissions reductions; the timing and ability to become a valuable supplier of secure, stable and sustainable energy and mineral needs in the geo-politically strategic Central Asia region; the timing and ability to realize multiple revenue streams that remain robust across varying economic conditions and geo-political priorities; the timing and ability to conduct production enhancement services, produce natural gas and realize domestic gas sales proceeds; the timing and ability to increase production by implementing artificial lift, workover and drilling programs; the timing and ability to investigate deeper horizons; the timing and ability to reprocess 3-D seismic data and conduct a 3-D seismic program; the timing and ability for the 3D seismic data to provide higher resolutions, more accurately characterize the reservoirs and identify new targets; the timing and ability to collect reservoir and production data; the timing and ability to evaluate existing pipeline and facilities infrastructure for optimization of water handling, field compression and the in-field gathering network; the timing and ability of the Company to conduct infill drilling and well deepening programs in 2025; well testing rates and results may not be indicative of future production results; the timing and ability to use the two natural gas allocations from the Government of Kazakhstan as feed gas for the Company's modular LNG production facilities; the timing and ability to liquefy gas to produce LNG; the timing and ability to fuel LNG powered rail locomotives and large mine haul trucks; the timing and ability to contribute to carbon emissions reductions by displacing diesel fuel usage; the timing and ability to conduct detailed engineering; the timing and ability to confirm LNG volume commitments with end-users; the Company's expectations in respect of the future uses of LNG; the timing and ability to obtain funding and proceed with construction of LNG production facilities; the sufficiency of the second natural gas allocation to power mainline rail locomotives; the timing and ability to sign definitive purchase agreements, acquire, transport and construct the LNG facility; the timing and ability of the LNG facility to produce 48,000 gallons per day; the timing and ability to secure LNG off-taker agreements; the potential for the Sayakbay and Kolkuduk licenses to contain commercial deposits; future critical minerals testing results; the material untapped hydrocarbon potential in the carbonate formations of the Company's license area; the timing and ability to fund, permit and complete planned activities including drilling 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 report in compliance with *National Instrument 43-101 Standards of Disclosure for Mineral Projects*; the timing and ability to commence exploration mining activities to evaluate the potential for commercial lithium brine deposits; projections and timing with respect to natural gas and condensate production; expected markets, prices and costs for future 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 natural gas pipelines; the timing and ability to access domestic and export sales markets; anticipated capital expenditures; forecasted capital and operating budgets and cashflows; 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; the expected impacts of adopting amendments to IFRS accounting policies; and treatment under governmental regulatory regimes and tax laws.

This MD&A 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 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; 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).

Readers are cautioned that the foregoing list of important factors affecting forward-looking information is not exhaustive. The forward-looking information contained in this MD&A are made as of the date of this MD&A 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 MD&A is expressly qualified by this cautionary statement.

ABBREVIATIONS

The following is a summary of abbreviations used in this MD&A:

3-D	Three dimensional
Mcf	Thousands of standard cubic feet
Mcf/d	Thousands of standard cubic feet per day
MMcf	Millions of standard cubic feet
bbl	Barrels of oil
Mbbl	Millions of barrels of oil
bopd	Barrels of oil per day
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
MT	Metric tonnes
NPV	Net Present Value
CAD	Canadian Dollars
KZT	Kazakhstan Tenge
TRL	Turkish Lira
USD	United States Dollars
UZS	Uzbekistan Soms
LNG	Liquefied natural gas
EV	Electric Vehicle
Türkiye	Republic of Türkiye
Kazakhstan	Republic of Kazakhstan
Uzbekistan	Republic of Uzbekistan