Management's Discussion and Analysis
For the three months ended March 31, 2013
Dated May 10, 2013

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Petroleum Inc. ("Condor" or the "Company") is an international oil and gas company incorporated on October 20, 2006 with activities in Canada and the Republic of Kazakhstan ("Kazakhstan"). Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.

The following Management's Discussion and Analysis ("MD&A") of Condor should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013, and the audited consolidated financial statements for the years ended December 31, 2012 and 2011 (the "financial statements"). This MD&A is dated May 10, 2013, the date the Condor Board of Directors approved the financial statements.

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

OVERALL PERFORMANCE

Highlights

Marsel territory

- On April 22, 2013, Condor's wholly owned subsidiary entered into a binding agreement to sell its 66% participating interest in, and certain indebtedness of, Marsel for US $88.0 million, subject to various waivers and consents from the Government of Kazakhstan and subject to the satisfaction of certain commercial conditions typical for transactions of this nature.

Zharkamys West 1 territory

- Kazakhstan production increased to 559 bopd in the first quarter of 2013 compared to 22 bopd in the first quarter of 2012 due mainly to Shoba trial production. As a result, Company revenues increased 192% to $2.3 million.
- The KN-E-201 well was drilled and completed during the quarter and discovered oil; 58 meters of net hydrocarbon pay was identified from wireline and mud logs with an additional 16 meters of pay indicated from mudlogs without wireline log data.
- The first appraisal well, KN-E-202, was spud in April 2013 and the target zone is expected to be penetrated in May 2013.
- The ninety day production testing program for the KN-E-201 discovery well has been approved and testing is expected to commence as planned in June 2013.
- Approval for a two year exploration period has been granted which extends the exploration term until August 27, 2015.

- Detailed seismic interpretation and geologic mapping have generated an exploration portfolio of 66 prospects ranging from shallow Cretaceous to deep Devonian targets and an internal Company estimate of 1,550 MMboe unrisked mean recoverable resources.

Operations

For the three months ended March 31, 2013 as compared to the three months ended March 31, 2012, overall production increased 377% to an average of 630 boepd from 132 boepd. The company commenced short-term production at the Zharkamys West 1 territory ("Zharkamys") in Kazakhstan during 2011 and in September 2012 commenced the trial production period related to the Shoba discovery. Production decreases in Canada are due mainly to the disposal of certain non-core properties during 2012.

Revenues from oil and natural gas sales increased to $2.3 million in the first three months of 2013 from $0.8 million for the same period in 2012, capital expenditures were $5.6 million in 2013 compared to $8.8 million in 2012, net loss attributable to Condor decreased to $3.4 million in 2013 from $4.1 million in 2012 and cash used in operating activities was $4.9 million in 2013 versus $1.0 million in 2012.

Kazakhstan – Zharkamys

The Company owns a 100% interest in Zharkamys, which is located in the eastern portion of the Pre-Caspian Basin in Kazakhstan.

During 2010 and 2011 the Company acquired 2,532 km^2 of high fold, high resolution 3D seismic, covering 87% of Zharkamys. Pre-stack time migration and pre-stack depth migration processing has been completed on the entire dataset, providing excellent subsurface imaging of the Zharkamys territory.

The initial 3D seismic interpretation has led to a three phase exploration strategy. Phase 1 drilling focuses on shallow post-salt prospects (up to 1,500 meters) and is intended to calibrate the seismic responses while also providing early production and cash flow. Since acquiring the 3D seismic, eight Phase 1 exploration wells have been drilled, yielding two commercial oil discoveries at the Company's Shoba and Taskuduk West fields. One other oil discovery at Ebeity is under evaluation.

Phase 2 focuses on deeper (1,500 to 5,000 meters), higher impact post-salt prospects that are intended to generate significant reserve additions (refer to reserve and resource advisory). Four Phase 2 wells have been drilled during 2012 – 2013 with the most recent discovery at Kiyaktysai North. The discovery well, KN-E-201, was drilled to a total depth of 1,870 meters, penetrating a total of 160 meters of net reservoir sands consisting of 74 meters of hydrocarbon pay and 86 meters of residual hydrocarbons indicated from wireline and mudlog data. Multiple intervals are planned to be completed and put on individual 90 day production tests starting in June 2013. Drilling the first appraisal well, KN-E-202, started in April 2013 and is expected to penetrate the target zone in May 2013.

Phase 3 structures range from 5,000 – 7,500 meters and target pre-salt Permian and Devonian formations. Based on a detailed review on analogue fields within the Pre-Caspian basin, the Company believes the Phase 3 targets represent a significant potential resource with volumes that could justify the depth and geologic risk. The Phase 3 drilling program is targeted to begin in 2014, and will apply the Phase 1 and 2 learnings and results.

During 2012, detailed seismic interpretation and geologic mapping generated an exploration portfolio of 66 prospects for the three phases, ranging from the shallow Cretaceous to deep Devonian targets. This equates to an internal company estimate of 1,550 MMboe unrisked mean recoverable resource potential. Sproule

International has performed a resource audit on the Phase 1 prospects, a portion of the Phase 2 prospects, and those Phase 3 prospects mapped from the 2010 3D seismic area. The internal company resource potential volumes are aligned with Sproule's audit.

Shoba trial production commenced in September 2012 which allows for up to five wells to be produced continuously at the Shoba oil field subject to gas flaring restrictions. Total production from Zharkamys in the first quarter averaged 559 bopd including 356 bopd from Shoba where production has been constrained due to gas flaring limitations. Shoba production is expected to increase as the treatment facilities are optimized and as development wells are drilled, starting in the fourth quarter of 2013. The trial production period is expected to continue until mid-2014 and then transition into the commercial development period with forecasted peak production of 1,500 bopd based on the development plan. During each ninety day test period and during the Shoba trial production period, the Company is required to sell all production domestically to refineries within Kazakhstan.

Currently, Shoba wells are produced to individual well-site facilities. Oil is sold at each wellhead and trucked by the buyer to a nearby terminal for treatment and delivery to a local refinery. Construction of the Shoba gauging station is on-going, and once completed, the Shoba wells will flow directly to this facility which will have additional oil treatment and storage capacity, along with water injection and gas utilization capabilities.

The Company signed a letter of intent to purchase a 90% interest in the Sagiz oil storage terminal, located 12 kilometers northwest of Zharkamys. The purchase is subject to the terminal being refurbished, operational and licensed for use, and is expected to be completed in 2013 at an expected cost of $2.5 million. The Sagiz Oil terminal includes 7,500 barrels of oil storage capacity and has a rail spur which ties directly into the main rail line between Aktobe and Atyrau. In addition to providing expected oil transportation cost savings, the terminal's existing access to the rail system allow the Company to consider alternative oil marketing options.

Kazakhstan – Marsel

The Company owns a 66% participation interest in the Marsel territory in the Chu-Sarysu basin in southeast Kazakhstan ("Marsel") and funds 100% of the Marsel capital program and exploration commitments. The Company has acquired and processed 2,661 km of high resolution 2D seismic and 426 km^2 of 3D seismic since obtaining the Marsel license. The interpretation of the data has generated a portfolio of Devonian sandstone / conglomerates and Carboniferous shoal / pinnacle prospects.

Exploration drilling on the Bugudzilskaya structure commenced in December and is expected to be completed in the second quarter of 2013. The primary reservoir target is Upper Devonian sandstones.

On April 22, 2013, Condor's wholly owned subsidiary, Condor Netherlands Petroleum B.V. entered into a binding sale and purchase agreement to sell its 66% participating interest in and certain indebtedness of Marsel for US $88.0 million. The transaction requires various waivers and consents from the Government of Kazakhstan and is subject to the satisfaction of certain commercial conditions typical for transactions of this nature. The transaction is expected to be completed by the fourth quarter of 2013. In the interim period prior to closing, the buyer shall loan Marsel US$5.0 million to fund the on-going exploration activities.

Canada

The Company operates certain oil and natural gas properties and holds non-operated working interests in a number of other properties in Alberta. For the three months ended March 31, 2013, the properties generated average production of 71 boepd (2012 – 110 boepd). This decrease in production is due primarily to: the disposal of four properties in 2012; natural well decline; but is partially offset by increased production in 2013 at Bashaw which was shut-in for most of 2012 due to pipeline repairs downstream of the Company's operations. Sales revenues for the period were $0.4 million (2012 – $0.7 million) and decreased primarily due to the aforementioned lower production volumes as well as lower realized sales prices. Subsequent to period end, the Company signed a purchase and sale agreement to dispose of its remaining producing properties in Canada for net proceeds of $2.0 million, which is expected to close during the second quarter.

SELECTED FINANCIAL INFORMATION

For the three months ended March 31 (000's)	2013	2012
Oil and natural gas sales	2,328	796
Net loss attributable to Condor	(3,365)	(4,054)
Net loss per share - basic and diluted	(0.01)	(0.01)
Capital expenditures	(5,614)	(8,831)

As at (000's)	March 31, 2013	December 31, 2012
Total assets	186,511	188,042
Total liabilities	10,823	12,847

Further details, analysis and discussion regarding the Company's performance, current period results and comparisons to the prior period are presented in subsequent sections of this MD&A.

RESULTS OF OPERATIONS

Production

Total production increased 376% to 56,628 boe or 630 boepd for the three months ended March 31, 2013 from 11,911 boe or 132 boepd for the three months ended March 31, 2012. The Company's production mix is shifting from Canada, where 3,575 fewer barrels were produced in 2013, to Kazakhstan, where production increased by 48,292 barrels to 50,277 barrels in the three month period ended March 31, 2013 compared with the same period in 2012.

Zharkamys production has been inconsistent due primarily to local regulations which limit early stage production from exploration to ninety day test periods. The Shoba trial production period, which allows sustained production from up to five Shoba wells for two years, commenced in September 2012. The Company is applying for and expects to transition Shoba into a development contract in the first half of 2014.

This decrease in Canadian production is the result of: the disposal of four properties in 2012; natural well decline; and partially offset by increased production in 2013 at Bashaw which was shut in for most of 2012 due to pipeline repairs downstream of the Company's operations.

For the three months ended March 31

Production	2013	2012	Change	Change %
Crude oil – Kazakhstan (bbls)	50,277	1,985	48,292	2,433%
Crude oil – Canada (bbls)	4,836	6,962	(2,126)	(31%)
Natural gas – Canada (boe)	1,515	2,964	(1,449)	(49%)
Total production (boe)	56,628	11,911	44,717	376%

Average daily production	**2013**	**2012**	**Change**	**Change %**
Crude oil – Kazakhstan (bbls)	559	22	537	2,441%
Crude oil – Canada (bbls)	54	77	(23)	(30%)
Natural gas – Canada (boe)	17	33	(16)	(48%)
Total production (boe)	630	132	498	377%

Sales and marketing

Kazakhstan crude oil sales revenue for the three months ended March 31, 2013 amounted to $1.9 million from 51,828 barrels sold at the wellhead at an average price of $36.45 per barrel. For the period ended March 31, 2012, 3,459 barrels were sold at an average price of $35.26 for sales revenues of $0.1 million. Crude oil inventory in Kazakhstan amounted to 5,219 barrels at March 31, 2013.

Revenues from Canadian oil and natural gas sales and royalty income decreased to $0.4 million for the three months ended March 31, 2013 from $0.7 million for the same period in 2012 mainly due to the previously discussed production decreases.

For the three months ended March 31

Revenue (000's)	**2013**	**2012**	**Change**	**Change %**
Crude oil sales - Kazakhstan	1,889	122	1,767	1,449%
Crude oil sales - Canada	406	627	(222)	(35%)
Natural gas sales - Canada	24	46	(22)	(48%)
Royalty and other income - Canada	9	1	8	796%
Oil and natural gas sales	2,328	796	1,532	192%
Sales				
Crude oil – Kazakhstan (bbls)	51,828	3,459	48,369	1,398%
Crude oil – Canada (bbls)	4,836	6,962	(2,126)	(31%)
Natural gas – Canada (boe)	1,515	2,964	(1,449)	(49%)
Total sales volume (boe)	58,179	13,385	44,794	376%
Realized sales prices				
Crude oil sales - $/barrel - Kazakhstan	36.45	35.26	1.19	3%
Crude oil sales - $/barrel - Canada	83.88	90.11	(6.23)	(7%)
Natural gas sales - $/mcf	2.65	2.59	0.06	2%
Natural gas sales - $/boe	15.88	15.51	0.36	2%
Total sales - $/boe	40.02	59.50	(19.47)	(33%)

Royalty expense

Canadian royalty expense was $0.12 million and 28% of gross Canadian oil and natural gas sales for the three months ended March 31, 2013 compared to $0.16 million and 24%, respectively, for the three months ended March 31, 2012. Royalty expense in Kazakhstan was $0.07 million for the quarter and is calculated with reference to local market prices.

Production costs

For the three months ended March 31 overall production costs decreased from $23.91 boe in 2012 to $21.85 per boe in 2013, due mainly to higher production volumes in Kazakhstan and fixed costs being attributed to these higher volumes.

General and administrative expenses

The Company's general and administrative expenses decreased to $2.4 million for the three months ended March 31, 2013 from $3.2 million in the same period in 2012 due primarily to a reduction in employee annual incentive awards.

Depletion and depreciation

Depletion and depreciation expenses increased to $1.5 million for the three months ended March 31, 2013 from $0.4 million in the same period in 2012 due primarily to depletion related to the increased oil sales in Kazakhstan.

Stock based compensation

Stock based compensation decreased to $0.6 million for the period ended March 31, 2013 from $0.9 million in the same period in the prior year. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income, expense and accretion expense

For the three months ended March 31, 2013, finance income decreased to $0.2 million from $0.3 million in the same period in 2012. The decrease is a result of interest income received on higher average cash balances during 2012. Finance income also includes the accretion of value added tax receivables in Kazakhstan.

Finance and accretion expense was $0.1 million for the three months ended March 31, 2013, a decrease compared to $0.3 million for the three months ended March 31, 2012. The charge is comprised mainly of the impact of the discounting of the Kazakhstan value added tax ("VAT") receivable and accretion expense on historical cost obligations and decommissioning provisions. The decrease from 2012 is primarily due to lower capital spending in 2013 resulting in less VAT paid.

QUARTERLY INFORMATION

The following table sets forth selected unaudited financial information of the Company for the eight most recently completed quarters to March 31, 2013:

For the quarter ended (000's except per share amounts)	**Oil & natural gas sales**[1]	**Net loss attributable to Condor** [2]	**Net loss per share basic and diluted**
March 31, 2013	$ 2,328	$ (3,365)	$ (0.01)
December 31, 2012	1,579	(4,855)	(0.02)
September 30, 2012	611	(3,542)	(0.01)
June 30, 2012[3]	825	(878)	(0.00)
March 31, 2012	795	(4,054)	(0.01)
December 31, 2011	1,257	(5,293)	(0.02)
September 30, 2011	1,037	(2,371)	(0.01)
June 30, 2011	866	(1,780)	(0.01)

(1) Production in Kazakhstan has been inconsistent as Kazakhstan regulations limit early stage production from exploration to ninety day test periods. Shoba trial production commenced in September 2012 which allows for up to five wells to be produced continuously at the Shoba oil field subject to gas flaring restrictions. In 2012, the Company disposed of certain non-core Canadian oil and gas properties, and production at Bashaw was shut-in as a result of pipeline repairs.

(2) The net loss for all quarters presented reflects the fact that only a small amount of production has been recognized to date during test production at Zharkamys, no production has been recognized to date at Marsel and the various expenses including general and administrative costs, stock based compensation expense and finance and accretion expense incurred to manage the Company's exploration properties.

(3) In the second quarter of 2012, Condor disposed of the non-core Steelman, Saskatchewan, properties and recognized a $2.4 million gain on disposition.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is in the business of exploring, developing and producing oil and natural gas properties which, by its nature, involves a high degree of risk. The recoverability of amounts capitalized for exploration and evaluation assets is dependent upon a number of factors, including: the discovery of economically recoverable reserves; obtaining necessary financing to meet work program and other obligations; completing the exploration for and development of the reserves; and, ultimately achieving future profitable production.

As at March 31, 2013, cash and cash equivalents were $11.0 million (2012 year-end: $19.8 million), net working capital was $9.9 million (2012 year-end $17.2 million) and there was no amount drawn on the Company's $20.0 million credit facility. The Company has future contractual work commitments through the next year related to the Kazakhstan properties of US $9.0 million. Subsequent to period end the Company entered into a binding sale and purchase agreement for Marsel and the buyer shall loan Marsel US $5.0 million to fund the on-going exploration activities.

While the Company had sufficient working capital and available credit facility at period-end to meet its minimum work program commitments and general and administrative costs for the next 12 months, the Company will require additional sources of funding to carry out additional exploration and development programs and meet its subsequent minimum work commitments.

The Company is currently seeking: development financing for the development of the Shoba oilfield within Zharkamys; the disposition of Marsel; potentially farming down certain prospects at Zharkamys; and, drawing the EurAsia credit facility as potential financing options. Although management believes that necessary financing will be obtained, there is no certainty that such financing will be obtained on terms acceptable to management which may cast significant doubt about the Company's ability to continue as going concern.

COMMITMENTS AND CONTINGENT LIABILITIES

Work commitments

The Company has contractual work commitments pursuant to the Zharkamys and Marsel exploration contracts in Kazakhstan.

Subsequent to period end, on May 2, 2013, the Company obtained approval for a two year extension to the Zharkamys exploration period. The Company has requested a work program increase of US$12.0 million for the extension period. The work program approval has yet to be received and the actual work program increase could be different from the requested amount.

At the most recent Marsel contract anniversary date of July 27, 2012, the contractual minimum work program had been underspent by US$15.5 million. During the Marsel contract year ended July 27, 2012, the Marsel Territory experienced unusually cold weather, well above average precipitation and significant flooding in the region which affected the Company's ability to complete the planned exploration activities. As a result, the Government of Kazakhstan recognized force majeure conditions and extended the contract period to complete the required performance obligations to March 27, 2015 and the underspent portion was added to the remaining work program obligations.

Non-fulfillment of contractual work commitments in Kazakhstan could result in punitive actions by the Government of Kazakhstan including suspending or revoking the contract. Financial contractual work commitment shortfalls may be subject to penalties of 30% of the shortfall. Any exploration period extensions or subsequent development periods would likely carry additional contractual work commitments, which could be significant.

The remaining work commitments, as at March 31, 2013, presented by year are as follows:

Work commitments (in millions of US$)	**2013**	**2014**	**2015**	**Total**
Zharkamys	3.6	6.2	5.8	**15.6**
Marsel(1)	5.4	15.0	15.1	**35.5**
Total(2)	9.0	21.2	20.9	**51.1**

(1) As previously noted, subsequent to period end the Company entered into a binding sale and purchase agreement for Marsel and the buyer shall loan Marsel US$5.0 million to fund the on-going exploration activities.

(2) Refer to liquidity, capital resources and going concern section for funding discussion

Sagiz oil terminal

The Company signed a letter of intent to purchase a 90% interest in the Sagiz oil storage terminal, located 12 kilometers northwest of Zharkamys. The purchase is subject to the terminal being refurbished, operational and licensed for use, and is expected to be completed in 2013 at an expected cost of $2.5 million.

Contractual obligations

The Company's contractual obligations are as follows:

	Payment due by Period				
	< 1 year	1 – 3 years	4 – 5 years	> 5 years	Total
Accounts payable and accrued liabilities	4,295	-	-	-	4,295
Other long term liabilities (undiscounted)	-	577	1,133	3,954	5,665

OUTSTANDING SHARE DATA

Common shares

As at the date of this MD&A there were 346,120,871 common shares outstanding.

Stock options

As at March 31, 2013, the Company had 26,891,184 stock options outstanding with a weighted average exercise price of $1.09. Subsequent to period end, on April 2, 2013 the Company granted 7,720,000 stock options with an exercise price of $0.55; exercisable one third immediately, one third on April 2, 2014, and one third on April 2, 2015; and, expire on April 2, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at March 31, 2013.

RELATED PARTY BALANCES AND TRANSACTIONS

Credit facility

The Company has a $20.0 million credit facility provided by EurAsia Resource Holdings AG ("EurAsia"), carrying interest at 5.0% with principal and interest due January 1, 2015. No amounts were drawn on the facility and no interest expense was incurred for the period ended March 31, 2013 or 2012. Amounts drawn on the facility are convertible at the request of EurAsia into a variable number of common shares using the twenty day Toronto Stock Exchange volume weighted average trading price preceding the conversion. As at March 31, 2013, EurAsia and its parent company, EurAsia Resource Value SE held 51.3% of the outstanding common shares of Condor (May 10, 2013 – 49.9%).

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas of estimation judgment in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Impairment testing: estimates of reserves and resources, future commodity prices, future costs, production profiles, discount rates, and fair values of properties;
- Decommissioning provisions: the amount and expected timing of asset retirements, discount and inflation rates and future cash flows;
- Other long term assets and liabilities: the timing and amounts of future receipts and payments, discount rates and related cash flows;
- Depletion: the amount of reserve volumes and future development capital;
- Stock based compensation: determining appropriate volatilities, expected lives and forfeiture rates;

- Deferred income tax: determining likelihood of income tax assets being realized

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 ("ICOFR") 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.

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 Company's CEO and CFO have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the issuer, is made known to them by others within the Company.

The CEO and CFO are required to cause the Company to disclose any change in the Company's ICOFR that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's ICOFR. No changes in ICOFR were identified during such period that have materially affected or are reasonably likely to materially affect, the Company's ICOFR. It should be noted, a control system, including the Company's DC&P and ICOFR, 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 ICOFR will prevent all errors or fraud.

RESERVE AND RESOURCE ADVISORY

This MD&A includes information pertaining to internal Condor generated estimates of Company resources effective February 8, 2013, which were prepared by a qualified reserves evaluator in accordance with National Instrument 51-101, and the Evaluation of the P&NG Reserves of the Company as of December 31, 2012 by Sproule International Limited in their report dated March 7, 2013.

Statements relating to reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future. The estimates included in this presentation include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of resources, timing and amount of capital expenditures, marketability of production, future prices of crude oil and natural gas, operating costs, abandonment and salvage values, royalties and other government levies that may be imposed over the producing life of the resources. The reserve assumptions were based on prices in use at the date the Sproule Reserve Report was prepared, and many of these assumptions are subject to change and are beyond the Company's control.

The reserve and resource estimates of Condor's properties described herein are estimates only. The actual reserves and resources may be greater or less than those calculated. Estimates with respect to resources that may be developed and produced in the future are often based upon volumetric calculations, probabilistic methods and analogy to similar types of resources, 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 resources based upon production history will result in variations, which may be material, in the estimated resources.

Prospective Resources disclosed herein are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market and facility, corporate commitment or political risks). The chance of commerciality is the product of these two risk components. These estimates have not been risked for either chance of discovery or chance of development. There is no certainty that any portion of the Prospective Resources will be discovered and, if discovered, there is no certainty that it will be developed or, if it is developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources. Unless otherwise stated, any reference to Prospective Resources refers to Gross, Mean Recoverable, Prospective Resources (Unrisked).

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 “anticipate'', “believe'', “intend”, “expect”, “plan”, “estimate”, “budget'', “outlook'', “scheduled”, “may”, “will”, “should”, “could” , “would” or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, the anticipated completion of the sale of the interests in Marsel; the expected timing for closing of the transaction and the use of the proceeds of the transaction; information concerning the timing and ability to obtain various regulatory approvals; the anticipated closing of the purchase and sale of the Company's remaining producing properties in Canada; the results, timing and completion of the Company's discovery wells; the timing of planned well testing and drilling operations; the expectations, timing and ability of the Company to mature and drill future targets and prospects; the timing and ability of the Company related to the proposed use of seismic data; the timing and ability of the Company to obtain various approvals including production and development contracts, the possible extension of exploration periods; the status of the Sagiz Oil Terminal refurbishment, the anticipated closing of the purchase of the Sagiz Oil Terminal, the anticipated oil transportation cost savings and the potential expansion of oil marketing options; ; the execution of drilling contracts; excess profit taxes; the potential for additional contractual work commitments; expected costs and the flexibility of capital spending plans and the source of funding therefore; the effect of the Company's risk management program; the Company's ability to pay its creditors, suppliers, and to meet and fund its contractual work commitments; the effect of the Company's risk mitigation policies, systems, processes and insurance program; the expected impact and timing of various accounting pronouncements, rule changes and standards on the Company and its consolidated financial statements; projections relating to the adequacy of the Company's provision for taxes; projections with respect to natural oil and gas production, increase to the Marsel work program, the commencement of drilling operations, the target interval and timing thereof, the estimates of resources and future resources relating at Zharkamys in respect of Phase 1, Phase 2 and Phase 3 strategies; the increased production at the Shoba oil field starting in the fourth quarter of 2013 and continuing until mid-2014, and the satisfaction of the work commitments at Zharkamys and Marsel.

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 factors and assumptions include, but are not limited to: risks that the conditions to the Marsel sale, including the consents and waivers of the Government of Kazakhstan and certain third parties will not be satisfied; regulatory changes; the timing of regulatory approvals; the Company's ability to continue as a going concern; the ability of the Company to obtain financing on terms acceptable to the Company; the ability of the Company to fund its 2013 work program; the results of exploration and development drilling and related activities;imprecision of reserves and resources estimates, ultimate recovery of reserves, prices of oil and natural gas; general economic, market and business conditions; industry capacity; uncertainty related to production, marketing and transportation; competitive action by other companies; fluctuations in oil and natural gas prices; the ability to produce and transport crude oil and natural gas to markets; 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; expected rates of return; 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 factors are discussed in greater detail in filings made by Condor with Canadian securities regulatory authorities including the Company's Annual Information Form for the year ended December 31, 2012.

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:

bopd	barrels of oil per day
boe	barrels of oil equivalent[1]
boepd	barrels of oil equivalent per day[1]
mcf	thousand cubic feet
mmboe	million barrels of oil equivalent[1]
mmcf	million cubic feet
bcf	billion cubic feet

[1] Boe and boepd are measures used in this MD&A which may be misleading, particularly if used in isolation. Boe and boepd amounts have been calculated using an energy equivalency conversion ratio of six thousand mcf of natural gas to one barrel of oil. This conversion method is primarily applicable at the burner tip and does not represent value equivalency at the wellhead.