Management's Discussion and Analysis
For the year ended December 31, 2014
Dated March 18, 2015

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 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 audited consolidated financial statements for the years ended December 31, 2014 and 2013 (the "financial statements"). This MD&A is dated March 18, 2015, the date the Condor Board of Directors approved the financial statements. All financial amounts are in Canadian dollars, unless otherwise stated.

OVERALL PERFORMANCE

2014 Highlights

- During 2014 the Company completed the sale of its 66% interest in the Marsel property for US $88.0 million (CAD 98.1 million).
- Working capital as of December 31, 2014 was $59.0 million and the Company has no debt.
- Net income for the year ended December 31, 2014 was $23.5 million or $0.07 per share including a $34.5 million gain on the sale of the Marsel property.
- The KN-E-205 Primary Basin appraisal well was drilled in the fourth quarter to a total depth of 1,876 meters and encountered multiple sandstone reservoirs that have a total of 71 meters of net oil pay. The well was cased to total depth. This well further validates the geological model used to characterize the Primary Basin play, continuing to reduce the geologic risk associated with the deeper Primary Basin prospects on Zharkamys like KN-501.
- The tendering process is underway to select services for drilling the KN-501 Primary Basin target, scheduled to commence in the second quarter of 2015. The KN-501 well offsets the Company's play opening KN-E Primary Basin discovery by eight kilometers and is located under the same salt dome. The well is planned to reach 4,250 meters and is targeting 67 MMboe unrisked mean prospective resources (internal Company estimate – see Reserve and Resource Advisory).
- During 2014 the Zharkamys exploration period was extended for an additional five months to February 8, 2016 and an application to extend the exploration period for a further ten months until December 2016 has been submitted.
- Production facilities at the Shoba and Taskuduk oilfields have been constructed and, for each respective field, once a development contract is executed with the Government of Kazakhstan the Company will be entitled to access export markets to sell a portion of the crude oil produced.

- Production increased 64% to an average of 343 bopd for the three months ended December 31, 2014 from 210 bopd for the same period in 2013 and decreased 30% to 205 bopd for the year ended December 31, 2014 from 291 bopd in 2013. The fourth quarter increase relates to the positive performance of the two Shoba horizontal wells which were successfully drilled and completed in the fourth quarter of 2014, representing the first shallow horizontal wells drilled in Kazakhstan's Pre-Caspian basin. Sh-10h began producing in late October and Sh-11h in mid-December. Flow rates on both wells have been restricted thus far to minimize the potential for water and gas coning.
- Production at Shoba has been temporarily suspended effective March 15, 2015 for an indeterminate period due to constraints in domestic refining capacity and low prices for crude oil and refined crude oil products. Kazakhstan is experiencing an oversupply of refined crude oil products, including diesel, which is causing downward pricing pressures on domestically produced diesel and on crude oil. Currently, Kazakhstan refineries are either not operating or the offering prices are below the Company's cost of operations. The Government of Kazakhstan recently announced that export customs duties on crude oil and certain refined products will be reduced and a temporary ban on imports of gasoline and diesel fuel from Russia has also been imposed. Both measures are intended to help alleviate the domestic market oversupply.

Operations

Production increased 64% to 31,583 barrels or 343 bopd for the three months ended December 31, 2014 from 19,274 barrels or 210 bopd for the same period in 2013 due mainly to the production from the first two horizontal wells drilled at Shoba including Sh-10h which began producing in late October and Sh-11h in mid-December. For 2014 as compared to 2013, production decreased 30% to 74,694 barrels or 205 bopd from 106,156 barrels or 291 bopd in 2013 due mainly to constraints related to local production limitations during the exploration and trial production periods including restrictions and permitting related to gas flaring. The Shoba field was shut-in from July 1, 2014 until August 5, 2014 while permits were obtained to increase permissible gas flaring volumes. Production in 2014 is comprised entirely of Shoba trial production while 2013 volumes also include production from the Taskuduk field.

During 2015 to date, Sh-10h was off-line for twelve days in early January to retrieve the down hole pressure gauges and produced an average of 151 bopd during its sixty operating days. Sh-11h was also off-line for about ten days in early February to retrieve down hole pressure gauges and produced an average of 153 bopd during its sixty three operating days. Flow rates on both wells have been restricted thus far to minimize the potential for water and gas coning. Overall, the Shoba field produced an average of 424 bopd during the forty nine producing days in which both Sh-10h and Sh-11h were producing.

Sh-10h, the first horizontal well at Shoba, was successfully drilled to 1,206 meters inclusive of a 290 meter horizontal section. 98% of the logged horizontal section is oil pay, with porosities averaging 24% and oil saturations averaging 75%. The well started producing in late October and cost $2.1 million to drill and complete. The Sh-10h is being flowed at various choke sizes to assess the optimal flow rate for the zone. The well flowed oil to surface at a rate of 450 bopd on an 8 millimeter choke, with no water. It is currently flowing at 170 bopd on a 6 millimeter choke. Although Shoba vertical wells require pumps to flow, Sh-10h has been producing without a pump to date.

Sh-11h, the second horizontal well at Shoba, was successfully drilled to 1,327 meters inclusive of a 398 meter horizontal section. 97% of the logged horizontal section is oil pay, with porosities of averaging 22% and oil saturations averaging 76%. The well started producing in mid-December 2014 and cost $2.1 million to drill and complete. The results of the horizontal completions at Sh-10h and Sh-11h will be incorporated into a revised full field development plan for Shoba. The plan will take advantage of the reduced well count and enhanced production capabilities of the horizontal wells to optimize recovery and the economics of the Shoba field.

A second drilling rig was mobilized in September 2014 and began drilling the Kiyaktysai North East 205 ("KN-E-205") Primary Basin appraisal well. The KN-E-205 well was drilled to a total depth of 1,876 meters and encountered three sandstone reservoirs from 1,208 to 1,410 meters, with 71 meters of net oil pay, 12% average porosity and light hydrocarbons indicated from wireline and mudlogs. The lowest known oil contact was 30 meters deeper in the KN-E-205 well than on the KN-201 discovery well which indicates additional resource potential. Four deeper sandstone reservoirs were encountered from 1,420 to 1,590 meters with wireline log interpretation suggesting an additional 20 meters of net oil pay, although these intervals showed weaker mud-gas responses.

The KN-E-205 well validates the geological model used to characterize the Primary Basin play and supports the seismic interpretation of reservoir development within these salt encapsulated structures. This play opener further reduces the geologic risk associated with the deeper Primary Basin prospects on Zharkamys, the first of which will be tested with the KN-501 exploration well which is targeted to spud in Q2 2015.

During the fourth quarter of 2014 the Company drilled the Sh-21i, a water injection well at Shoba, which will be commissioned in 2015 and should reduce water disposal costs.

On January 28, 2014, the Company completed the sale of its 66% interest in the Marsel territory located in the Chu-Sarysu basin in southeast Kazakhstan ("Marsel") for gross proceeds of US $88.0 million (the "Marsel Sale"). The Company used a portion of the sale proceeds to pay off all current and long term borrowings and as at December 31, 2014 the Company has no debt.

Revenues from crude oil sales increased to $1.1 million for the three months ended December 31, 2014 from $0.7 million for the same period in 2013, but decreased to $2.5 million for the year ended December 31, 2014 from $4.0 million in 2013 as a result of the overall decreased production volumes in 2014.

For the year ended December 31, 2014, net income increased to $23.5 million from a $15.3 million loss in 2013 due primarily to the $34.5 million gain related to the Marsel Sale and cash used in continuing operating activities increased to $12.3 million from $11.3 million due primarily to lower sales revenues in 2014.

Capital expenditures increased to $19.6 million from $15.3 million due mainly to increased drilling activity in 2014. The Company drilled two horizontal development wells and one water injection well at Shoba, one appraisal well at KN-E and one exploration well (KNC-3), which was abandoned and remediated in 2014. The Shoba and Taskuduk oilfields production facilities, including the Shoba gauging station, have been constructed and will be operated once a development contract is executed with the Government of Kazakhstan for each respective field.

In February, 2014, the Government of Kazakhstan lowered the Kazakhstan Tenge ("KZT") to US $ exchange rate, which had been fixed in prior periods. As a consequence, the KZT to Canadian Dollar ("CAD") exchange rate depreciated from 143 KZT per CAD at December 31, 2013 to 165 at March 31, 2014 and to 172 at June 30, 2014. However, due to the devaluation of CAD versus US $ in the second half of the year, the KZT appreciated back to 163 at September 30, 2014 and further to 157 at December 31, 2014.

Zharkamys

The Company owns a 100% interest in the 3,777 km^2 Zharkamys West 1 territory ("Zharkamys"), which is located in the eastern portion of the Pre-Caspian Basin in Kazakhstan. The Company has acquired 2,532 km^2 of high fold, high resolution 3D seismic over Zharkamys, and completed pre-stack time migration and pre-stack depth migration processing on the entire dataset, providing excellent subsurface imaging of the Zharkamys territory which has led to a three phase exploration strategy:

Phase 1 drilling focuses on shallow post-salt prospects (up to 2,000 meters) and is intended to calibrate the seismic responses while also providing early production and cash flow. Since acquiring the 3D seismic, two commercial oil discoveries have been made at the Company's Shoba and Taskuduk West fields.

Phase 2 focuses on deeper, higher impact Primary Basin prospects from 2,000 to 5,000 meters that are intended to generate significant reserve additions. The Company's current Primary Basin portfolio includes eight matured prospects that have an internal estimate of 391 mmboe of unrisked mean prospective resources[1], which does not include any resource potential from the recently expanded territory. There are 23 additional Primary Basin leads identified from the 3D seismic.

The KN-E-205 Primary Basin appraisal well was drilled and cased to a total depth of 1,876 meters and encountered three sandstone reservoirs from 1,208 to 1,410 meters, with 71 meters of net oil pay, 12% average porosity and light hydrocarbons indicated from wireline and mudlogs. The lowest known oil contact was 30 meters deeper in the KN-E-205 well than on the KN-201 discovery well which indicates additional resource potential. Four deeper sandstone reservoirs were encountered from 1,420 to 1,590 meters with wireline log interpretation suggesting an additional 20 meters of net oil pay, although these intervals showed weaker mud-gas responses.

The KN-E-205 well validates the geological model used to characterize the Primary Basin play and supports the seismic interpretation of reservoir development within these salt encapsulated structures. The main pre-drill risks for the KN-E structure were reservoir presence and hydrocarbon migration. Having successfully discovered, for the first time in the Pre-Caspian Basin, oil and gas bearing sandstone reservoirs within a Primary Basin, these risk elements have now been mitigated. This play opener further reduces the geologic risk associated with the deeper Primary Basin prospects on Zharkamys, the first of which will be tested with the KN-501 exploration well which is targeted to spud in the second quarter of 2015.

The next phase of exploration drilling starting with KN-501 will target structural geometries that are more conventional, with thick salt top-seals and 4-way trap closures, avoiding the steep dips and structural complexities within the KN-E structure. KN-501 is a 4-way closure within the Kiyaktysai North salt dome located eight kilometers from and under the same salt dome as the KN-E discovery, but does not contain steeply dipping reservoirs as in the KN-E structure. In this area, there are numerous shallow wells with oil shows indicating active source rocks and hydrocarbon migration. The KN-501 prospect contains 67 mmboe unrisked mean prospective resources[1].

Phase 3 structures target pre-salt Permian and Devonian formations and range from 5,000 to 7,500 meters. The Company believes the Phase 3 targets represent significant potential resources with volumes that justify the depth and geologic risk. The Phase 3 drilling program is targeted to begin in 2016, and will apply the Phase 1 and Phase 2 learnings and results.

The Company's three phased exploration portfolio with internally generated estimates of over 1.6 billion boe unrisked mean prospective resources[1] is comprised of 67 prospects, ranging from shallow Cretaceous to deep Devonian targets. The Company has not completed its evaluation of the resources attributable to the 1,167 km^2 expansion area added to the Zharkamys territory in 2013. The expansion area could substantially augment the

Company's existing resources[1].

Zharkamys discoveries

At the Shoba oilfield, wells are produced under trial production to individual well site facilities. The trial production license permits production from ten wells including three horizontal wells, allows for water injection at two wells and permits limited gas flaring. Shoba oil is sold at each well site facility and trucked by the buyer to a nearby terminal for treatment and delivery by rail to one of the local refineries. During trial production, oil is sold domestically to refineries within Kazakhstan. Shoba is expected to transition into commercial production in 2015.

Construction of the Shoba gauging station has been completed and the facility will provide additional oil treatment and storage capacity. Flow lines from all Shoba wells are being tied into the gauging station which will eliminate in-field oil hauling. Additional storage capacity, water injection wells and gas utilization capabilities are expected to be added in 2015. The Taskuduk production facilities have been commissioned but the field will remain shut in until a development contract is executed with the Government of Kazakhstan, which is expected to be signed in 2015.

(1) See Reserve and Resource Advisory

SELECTED ANNUAL INFORMATION

For the year ended December 31 (000's)	2014	2013	2012
Crude oil sales	2,542	3,987	2,102
Net loss from continuing operations	(10,840)	(14,652)	(13,757)
Gain on Marsel disposal	34,546	-	-
Net income (loss) attributable to Condor	23,516	(15,267)	(13,329)
Net loss per share from continuing operations[2]	(0.03)	(0.04)	(0.04)
Net income (loss) per share[2]	0.07	(0.05)	(0.04)
Capital expenditures	19,611	15,272	26,508

(2) Basic and diluted

As at December 31 (000's)			
Total assets	202,742	208,226	188,042
Total long term financial liabilities	4,184	6,611	3,241

The above information is presented in Canadian dollars and has been accounted for in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB"). The Company's accounting policies can be found in the Company's financial statements. 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

Production increased 64% to 31,583 barrels or 343 bopd for the three months ended December 31, 2014 from 19,274 barrels or 210 bopd for the same period in 2013 and decreased 30% to 74,694 barrels or 205 bopd for the year ended December 31, 2014 from 106,156 barrels or 291 bopd in 2013. Production has been partially constrained and inconsistent due to local regulations limiting initial production from exploration wells to ninety day test periods, trial production limitations and restrictions and permitting related to gas flaring. The Shoba field was shut-in from July 1, 2014 until August 5, 2014 while permits were obtained to increase permissible gas flaring volumes. Production in the current quarter which averaged 343 bopd includes production from the first two horizontal wells drilled at Shoba including Sh-10h which began producing in late October and Sh-11h in mid-December.

Negotiations with the Ministry of Oil and Gas are in process to obtain commercial production licenses for the Taskuduk and Shoba oilfields.

For the year ended	2014	2013	Change	Change %
Barrels	74,694	106,156	(31,462)	(30%)
Bopd	205	291	(86)	(30%)

Production at Shoba has been temporarily suspended effective March 15, 2015 due to constraints in domestic refining capacity and low prices for crude oil and refined crude oil products. Kazakhstan is experiencing an oversupply of refined crude oil products, including diesel, which is causing downward pricing pressures on domestically produced diesel and on crude oil. Currently, Kazakhstan refineries are either not operating or the offering prices are below the Company's cost of operations. The Government of Kazakhstan recently announced that export customs duties on crude oil and certain refined products will be reduced and a temporary ban on imports of gasoline and diesel fuel from Russia has also been imposed. Both measures are intended to help alleviate the domestic market oversupply.

Reserves

As per the Evaluation of the P&NG Reserves of the Company as of December 31, 2014 prepared by independent reserves evaluators, the Company's reserves, comprising the Shoba and Taskuduk oilfields, are 1,698 mbbl of Probable (December 31, 2013: 2,217 mbbl) and 3,145 mbbl of Probable plus Possible (December 31, 2013: 3,957 mbbl) . Proved reserves for any oilfield in Zharkamys will not be recognized until the oilfield transitions from the exploration period into the development period upon the execution of a development contract with the Government of Kazakhstan. The Probable reserves at December 31, 2014 decreased 23% as compared to 2013 and the Probable plus Possible reserves decreased 21% due mainly to 2014 production and the decrease in forecast oil prices. See Reserve and Resource Advisory.

Sales and marketing

Crude oil sales revenue for the year ended December 31, 2014 amounted to $2.5 million from 70,523 barrels sold at the wellhead at an average price of $36.04 per barrel. For the year ended December 31, 2013, 111,311 barrels were sold at an average price of $35.82 for sales revenues of $4.0 million. Crude oil inventory amounted to 5,684 barrels at December 31, 2014 (2013: 1,513 barrels).

During the Shoba trial production period, the Company is required to sell all production domestically to refineries within Kazakhstan. Once a development contract is executed with the Government of Kazakhstan the Company will be entitled to access export markets to sell a portion of the crude oil produced.

For the year ended	2014	2013	Change	Change %
Crude oil sales revenue ($000's)	2,542	3,987	(1,445)	(36%)
Crude oil sales volume (barrels)	70,523	111,311	(40,788)	(37%)
Crude oil sales price ($/barrel)	36.04	35.82	0.22	1%

Other income

The Company entered into a technical services agreement with an arms-length third party commencing in November, 2013 and operating until March 31, 2014 to provide technical and management services and recognized other income of $1.0 million in 2014 and $0.5 million in 2013.

Production costs

For the year ended December 31, 2014 production costs increased to $37.59 per barrel from $33.85 barrel in 2013. As many field infrastructure costs are largely fixed including labor, heavy equipment and field camp costs, the cost per barrel increases with lower production volumes and during 2014 production was shut-in for 36 days due to gas flaring permit issues. Production costs per barrel are expected to decrease as future production volumes increase; production costs decreased to $24.82 per barrel for the final two months of 2014 due mainly to Sh-10h which began producing in late October.

Royalty expense

Royalty expense was $0.1 million for the year ended December 31, 2014 (2013: $0.2 million). Royalties are calculated with reference to local market prices and at rates based on annual production volumes. The decreased expense for 2014 as compared to 2013 reflects the decreased volume of oil produced and sold during the year.

General and administrative expenses

The Company's general and administrative expenses increased to $9.6 million for the year ended December 31, 2014 from $8.1 million in 2013, due mainly to employee bonuses granted in 2014 following the completion of the Marsel Sale (no bonuses in 2013).

Depletion and depreciation

Depletion and depreciation costs decreased to $2.4 million for the year ended December 31, 2013 compared to $3.3 million for the year ended December 31, 2013 due to lower crude oil production and sales volumes during 2014.

Stock based compensation

Stock based compensation was $1.4 million and $2.7 million for the years ended December 31, 2014 and 2013, respectively. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income and expense

For the year ended December 31, 2014, finance income decreased to $0.4 million from $0.7 million in 2013. Finance income includes the accretion of Kazakhstan value added tax ("VAT") receivables and the decrease is a result of revised estimates with respect to the timing of the recovery of VAT receivables and the related effect on accretion.

For the year ended December 31, 2014, finance and accretion expense decreased to $1.9 million from $2.0 million in 2013. Finance expense includes the impact of discounting VAT receivables, which increased from 2013 as a result of changes in estimated timing of recovery of VAT receivables offset by lower interest expense as the Company repaid its debt in Q1 2014. Finance expense also includes accretion expense on historical cost obligations and decommissioning provisions.

Foreign exchange gain

During the year ended December 31, 2014, the Company recognized a $3.3 million foreign exchange gain. The Company holds a significant portion of its cash and cash equivalents in US $ to fund its future investments and during the year the US $ appreciated against the CAD, which led to the foreign exchange gain of $2.4 million in the three months ended December 31, 2014.

Discontinued operations

Marsel

For the year ended December 31, 2014, Marsel incurred $0.2 million of expenses which have been included in discontinued operations on the statement of comprehensive income (2013: $1.4 million). No expenses were incurred subsequent to the disposal of Marsel. During the first quarter of 2014, the Company recognized a $34.5 million gain on the disposal of Marsel.

Canadian oil and gas properties

On May 16, 2013, the Company disposed of its remaining Canadian producing oil and gas properties for net proceeds of $2.1 million (the "Canadian disposal") and recognized a $0.2 million gain on the disposal. During the period from January 1, 2013 to May 16, 2013 the Canadian properties provided $0.6 million of revenue and $0.5 million of expenses on production of 6,777 barrels of oil sold at an average price of $85.47 per barrel and production of 2,320 mcf of gas sold at an average price of $2.72 per mcf. Excluding gains on disposals of these properties, the impact on continuing operations is minimal as these properties were non-core in the Company's portfolio.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to December 31, 2014:

(000's except per share amounts)	2014				2013			
	Q4 (6)	**Q3(5)**	**Q2**	**Q1 (4)**	**Q4**	**Q3**	**Q2**	**Q1**
Crude oil sales (1)	1,108	466	510	458	696	696	706	1,889
Net income (loss) from continuing operations (2)	(1,642)	943	(6,174)	(3,967)	(3,503)	(3,369)	(4,611)	(3,169)
Net income (loss) attributable to Condor	(1,642)	943	(6,174)	30,389	(3,792)	(3,523)	(4,586)	(3,365)
Net income (loss) per share from continuing operations (3)	(0.01)	0.00	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net income (loss) per share (3)	(0.01)	0.00	(0.02)	0.09	(0.02)	(0.01)	(0.01)	(0.01)

(1) *Production has been partially constrained and inconsistent due to local regulations limiting initial production from exploration wells to ninety day test periods, trial production limitations and restrictions and permitting related to gas flaring.*

(2) *The net loss for all quarters presented, except Q3 2014, reflects the limited production to date during test production at Zharkamys 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) *Basic and diluted.*

(4) *The Company completed the disposal of its 66% interest in the Marsel territory for US $88.0 million ($98.1 million) in Q1 2014 which resulted in a $34.5 million gain.*

(5) *For Q3 2014:*

- *Net income in Q3 2014 reflects the $3.5 million foreign exchange gain in the quarter on US $ denominated current assets, mainly cash and cash equivalents, due to the appreciation of US $ against CAD.*
- *The Shoba field was shut-in from July 1, 2014 until August 5, 2014 while permits were obtained to increase permissible gas flaring volumes and the Company estimates that production would have been approximately 5,900 barrels of oil during this shut-in period which, at the prevailing sales prices during that period, would have amounted to an additional $0.24 million in crude oil sales revenue.*

(6) *For Q4 2014 as compared to Q4 2013:*

- *Production increased to an average of 343 bopd from 210 bopd and revenues from crude oil sales increased to $1.1 million from $0.7 million due mainly to production from Sh-10h which began producing in late October 2014;*
- *Capital expenditures increased to $12.2 million from $4.2 million due to increased drilling activity;*
- *Net loss from continuing operations decreased to $1.6 million from $3.5 million due to higher crude oil sales revenue and foreign exchange gain in 2014;*

- *Net loss attributable to Condor decreased to $1.6 million from $3.8 million due to the above noted reasons and to Marsel discontinued operations related expenses in 2013; and*
- *Cash used in operating activities increased to $2.3 million from $1.9 million due primarily to changes in non-cash working capital.*

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2014, cash and cash equivalents were $64.5 million, and working capital was $59.0 million. The Company has future US $ denominated contractual work commitments related to Zharkamys of $11.2 million comprised of $9.3 million in 2015 and $1.9 million in 2016. The Company has sufficient capital to fund its planned exploration and operating activities for at least the next twelve months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at December 31, 2014.

RELATED PARTY BALANCES AND TRANSACTIONS

Credit facility

As at December 31, 2013 the Company had a credit facility of $7.5 million provided by EurAsia Resource Holdings AG ("EurAsia"). The Company repaid the outstanding principal and accrued interest amounts of $2.6 million and the facility was cancelled. As at December 31, 2014, EurAsia held 41.2% of the outstanding common shares of Condor (2013: 49.9%).

Personnel services received

General and administration costs for the year ended December 31, 2014 include personnel services provided by affiliates of EurAsia. The expense for the year ended December 31, 2014 was $0.6 million (2013: $0.6 million) and the amount outstanding at December 31, 2014 was $0.1 million (2013: $0.3 million) and is recorded as accounts payable and accrued liabilities.

Equipment purchases

Exploration and evaluation assets include purchases of drilling equipment during 2014 from an affiliate of EurAsia in the amount of $2.5 million, which has been recorded at the exchange amount which is the amount of considerations established and agreed to by the parties (2013: $0.1 million).

Management services provided

During the year, the Company charged affiliates of EurAsia for management services related to their respective oil and natural gas operations. The amount charged for the year ended December 31, 2014 was $0.04 million (2013: $0.2 million) and was treated as a reduction of general and administration costs.

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 reserves and resources, future commodity prices, future costs, production profiles, discount rates, and fair values of properties. A downward revision in the reserve or resource estimates or an upward revision to future capital costs could result in an asset impairment which would reduce future earnings and the associated net book value of assets;
- Other long term assets and liabilities: estimates include the timing and amounts of future receipts and payments, discount rates and related cash flows. A change in the timing of cash flows or discount rates may impact earnings as a result of changes in finance income and expense;
- Depletion: estimates include the amount of reserve and resource volumes and future development capital. A downward revision in the reserve or resource estimates or an upward revision to future capital 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 and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;
- 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 as a result of changes in accretion and depletion expense;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives and forfeiture rates;
- Deferred income tax: determining likelihood of income tax assets being realized requires estimates of future taxable income. 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 charged.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On January 1, 2014, the Company adopted new and amended accounting standards with respect to impairment of assets (IAS 36), recognition of liabilities for levies imposed by governments (IFRIC 21) and amendments to IAS 32, "Financial Instruments: Presentation" ("IAS 32"). The adoption of these amendments and standards had no impact on the amounts recorded in the financial statements.

New standards and interpretations not yet adopted

- On July 24, 2014, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9") to replace International Accounting Standard 39, "Financial Instruments: Recognition and Measurement." IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in OCI rather than net earnings, unless this creates an accounting mismatch. In addition, a new expected credit loss model for calculating impairment on financial assets replaces the incurred loss impairment model used in IAS 39. The new model will result in more timely recognition of expected credit losses. IFRS 9 is effective for years beginning on or after January 1, 2018.IFRS 9 is effective for years beginning on or after January 1, 2018.

- In May 2014, the IASB published IFRS 15, "Revenue From Contracts With Customers" ("IFRS 15") replacing IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The new standard is effective for annual periods beginning on or after January 1, 2017. The standard may be applied retrospectively or using a modified retrospective approach.

Early adoption of these standards is permitted and the Company is currently evaluating the impact of these new standards on the financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

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 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.

The CEO and CFO have evaluated the Company's internal controls over financial reporting and disclosure controls and procedures as at December 31, 2014 based on the framework in "Internal Control Over Financial Reporting – Guidance for Smaller Public Companies" 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 internal controls over financial reporting and disclosure controls and procedures were effective as of December 31, 2014.

During 2014, there have been no changes to the Company's internal controls over financial reporting that have materially, or are reasonably likely to materially affect the internal controls over financial reporting. Because of their inherent limitations, disclosure controls and procedures and internal controls over financial reporting may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control systems are met.

COMMITMENTS AND CONTINGENT LIABILITIES

Work commitments

The Company has contractual work commitments pursuant to the Zharkamys territory in Kazakhstan. The Zharkamys exploration period was extended for two years during 2013 and an additional five months during 2014 until February 8, 2016. During 2013, the Zharkamys territory was expanded by 1,167 km^2 to a total area of 3,777 km^2. The associated increases to the contractual work commitments have been included in the table below.

Contractual work commitments are amended from time to time in accordance with planned exploration and development activities proposed by the Company and approved by the Government of Kazakhstan and the amounts could be significant. In addition, any exploration period extensions or subsequent development periods would likely carry additional contractual work commitments, which could be significant.

Non-fulfilment 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.

The remaining work commitments, which are US $ denominated, as at December 31, 2014 are as follows:

	2015	**2016**	**Total**
Zharkamys work commitments (000's)	9,281	1,923	**11,204**

The contractual work commitments related to the Marsel territory are no longer the responsibility of the Company following the completion of the Marsel Sale on January 28, 2014.

The Company's capital budget for 2015 is up to $14.0 million including drilling the KN-501 Primary Basin well and costs related to Shoba field development required for commercial production.

Sagiz oil terminal

The Company signed a letter of intent in 2012 to purchase a 90% interest in the Sagiz oil terminal, located 12 kilometers northwest of Zharkamys. The purchase is subject to the terminal being refurbished, operational and licensed for use and the estimated cost is US $2.5 million. The seller is targeting commissioning of the terminal to coincide with the start-up of commercial production on the Shoba field.

The seller has completed construction of a high voltage power line onto the property, as well as a natural gas pipeline to the terminal with enough capacity to allow for the utilization of gas line heaters for the treatment of non-spec crude oil, as required, and has substantially completed the construction of a laboratory facility at the terminal. The seller is also working to obtain emissions permitting from the Government of Kazakhstan which is required to operate the facility. Once the emission permit is in place, the rail loading facility will be upgraded to the current safety standards.

Excess profit tax

Excess profit tax in Kazakhstan ranging at rates from zero to sixty percent is calculated based on the ratio of net income to deductions in excess of 1.25. The Company has not been subject to excess profit tax to date and accordingly has not accrued any related costs but may be subject to excess profit tax in future periods.

Commercial discovery bonus

The Company shall be subject to a commercial discovery bonus of 0.1% of the value of the estimated volume of recoverable reserves as approved by the Government of Kazakhstan, on the signing of each development contract.

Kazakhstan local content requirements

Kazakhstan subsoil users are required to give preference to local companies and domestic products when procuring goods, works and services. Local content deficiencies may be subject to penalties of 30% of the shortfall. Subsoil users are also required to follow prescribed procurement procedures including certain tendering rules and regulations.

Contractual obligations

The Company's contractual obligations are as follows:

	Payment due by Period				
($000)	< 1 year	1 – 3 years	4 – 5 years	> 5 years	Total
Accounts payable and accrued liabilities	7,778	-	-	-	7,778
Other long term liabilities (undiscounted)	-	1,697	1,235	3,241	6,173
Non-cancellable operating leases	575	712	-	-	1,287
Zharkamys work commitments	9,281	1,923			11,204
Total contractual obligations	17,634	4,332	1,235	3,241	26,442

Other long term liabilities comprise amounts to be reimbursed to the Government of Kazakhstan for historical seismic, geological, geophysical and other exploration expenditures incurred in Zharkamys by the former Soviet and later Kazakhstan Governments prior to the Company's acquisition of its interest in the Zharkamys territory.

FINANCIAL INSTRUMENTS

The following table presents the Company's undiscounted contractual financial instruments:

As at December 31 (000's)	**2014**	**2013**
Cash and cash equivalents	64,478	11,950
Trade and other receivables	1,175	414
Financial assets classified as held for sale	-	732
Total financial assets	65,653	13,096
Accounts payable and accrued liabilities	7,778	3,528
Current borrowings (gross of deferred financing costs)	-	15,579
Financial liabilities classified as held for sale	-	9,465
Long term borrowings	-	2,569
Other long term liabilities	6,173	6,351
Total financial liabilities	13,961	37,492

All current liabilities fall due within the next twelve months. The other long term liabilities represent amounts the Company is obligated to reimburse to the Government of Kazakhstan for historical geological and exploration expenditures incurred in its contracted territories.

RISKS AND UNCERTAINTIES

Credit risk

The Company limits its exposure to credit risk on cash and cash equivalents by depositing and investing in banks with top credit ratings. As at December 31, 2014 the majority of cash and cash equivalents is invested with Canadian chartered banks ($63.4 million) while $1.0 million is held in the Netherlands and $0.1 is held in Kazakhstan. The Company expects the counterparties to meet their obligations.

Credit risk on trade receivables is mainly related to crude oil marketers and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. Receivables from crude oil sales in Kazakhstan are from one customer, and are therefore subject to concentration risk. This risk is mitigated by management's policies and practices related to credit risk. As at December 31, 2014, trade and other receivables is comprised of $0.9 million which is current or within terms and $0.3 million which is 31 to 60 days past terms.

VAT receivable included in other long term assets is collectable from the Government of Kazakhstan will be either offset against future VAT collected on future domestic sales or refunded on future export sales. Although the VAT recovery process in Kazakhstan is arduous, the Company has not made any provision as considers the amounts to be fully recoverable.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations and commitments and repaying liabilities as they fall due. The Company requires liquidity mainly to satisfy financial obligations and capital and operating requirements related to exploration activities in Kazakhstan.

In Kazakhstan, the Company has certain contractual work commitments related to exploration activities. Due to the long cycle-time of the Zharkamys property and the stage of the exploration program, the Company relies mainly on the ability to raise debt and equity financing to meet these obligations as they fall due. As at December 31, 2014 the Company has sufficient capital to fund the planned exploration and operating activities for the next twelve months.

To manage capital spending, capital budgets are prepared, monitored regularly and updated as required. The Company also utilizes authorizations for expenditures to manage capital spending.

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. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

Foreign currency exchange risk

Foreign currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. Although the Company's current crude oil sales are derived from the Zharkamys property in Kazakhstan, and are denominated in KZT, the underlying benchmark prices may be impacted by changes in the exchange rate between KZT and US $. The Company had no forward exchange rate contracts in place at or during the years ended December 31, 2014 and 2013.

In February, 2014, the Government of Kazakhstan lowered the KZT to US $ exchange rate, which had been fixed in prior periods. As a consequence, the KZT to CAD exchange rate depreciated from 143 KZT per CAD at December 31, 2013 to 165 at March 31, 2014 and to 172 at June 30, 2014 but appreciated to 163 at September 30, 2014 and to 157 at December 31, 2014.

The Company is exposed to significant foreign currency risk as a substantial portion of the Company's foreign activities are transacted in or referenced to foreign currencies and, in particular, US $ and KZT and a significant portion of its cash and cash equivalents is held in US $ to fund its future investments.

Interest rate risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company does not have any debt as at December 31, 2014 and therefore has no current exposure to changes in interest rates.

Commodity price risk

The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for petroleum 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, subsequently, may also affect the value of the oil and gas properties and the level of spending for exploration and development. The majority of the Company's petroleum and natural gas production is sold under short-term contracts, which exposes the Company to the risk of price movements. The Company had no forward price contracts or derivatives in place at or during the years ended December 31, 2014 or 2013.

Fair value of financial instruments

Loans and receivables include cash and cash equivalents, trade and other receivables, other current assets and other long term assets. Other financial liabilities include accounts payable and accrued liabilities, current and long term borrowings, and other long term liabilities. The fair value of cash and cash equivalents, accounts receivable, other current assets and accounts payable and accrued liabilities approximate their carrying values due to the short term nature of these instruments. The carrying value of other long term assets and other long term liabilities approximate their fair value as they are either discounted at, or carry interest incurred at certain market rates.

Political, regulatory, and economic conditions in Kazakhstan

The economy in the Republic of Kazakhstan continues to display some characteristics of an emerging market. These characteristics include, but are not limited to, the use of a currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets.

Additionally, the oil and gas sector is impacted by political, legislative, fiscal and regulatory developments in Kazakhstan. The prospects for future economic stability in Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory and political developments, which are beyond the Company's control.

The financial condition and future operations of the Company may be adversely affected by continued economic difficulties that are characteristic of an emerging market. Management is unable to predict the extent and duration of the economic difficulties, or quantify the impact, if any, on these consolidated financial statements.

Certain activities in the oil and gas industry can give rise to environmental issues. Environmental regulations are currently in a state of transition in the Republic of Kazakhstan and the Company continually assesses its obligations thereunder. As obligations are determined, they will be provided for over the estimated remaining lives of oil and gas properties or recognized immediately, depending on their nature.

The outcome of environmental liabilities under current or any future environmental legislation cannot reasonably be estimated at present, and could be material. However, Management believes that under existing environmental legislation there are no significant liabilities beyond those amounts, which have already been accrued in these financial statements that will have a materially adverse effect on the operating results or financial position of the Company.

The tax environment in the Republic of Kazakhstan is subject to change and inconsistent application, interpretations and enforcement, and in particular, existing subsurface use contracts are under close scrutiny by the tax and other authorities. This could result in unfavorable changes to the Company's tax positions. Non-compliance with Kazakhstani law and regulations as interpreted by the Kazakhstani authorities may lead to the assessment of additional taxes, penalties and interest.

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Tax periods remain open to retroactive review by the tax authorities for five years. Management believes that its interpretation of the relevant legislation is appropriate and the Company's tax, currency legislation and customs positions will be sustained.

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 oil and natural gas reserves on an economical basis;
- uncertainties related to estimating the Company's reserves and resources;
- 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 gathering and processing facilities, access to pipeline, railway and other transportation infrastructure;
- fluctuations in commodity prices, interest rates and foreign currency exchange rates;
- adverse factors including climate, geographical and weather conditions and labour disputes;
- timing of future debt and other obligations;
- relinquishment of land territory in Kazakhstan during and upon the completion of the exploration period;
- 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;
- obtaining comprehensive and appropriate insurance coverage at reasonable rates; and
- obtaining Kazakhstan approval for extensions to exploration periods, and, upon commercial discovery, negotiating and signing development contracts.

Please see the Company's Annual Information Form, filed on SEDAR (www.sedar.com) for further discussion on these risks.

OUTSTANDING SHARE DATA

Common shares

There were 346,120,871 common shares outstanding as at the date of this MD&A, and December 31, 2014 and 2013.

Stock options

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

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

	Number of options	Weighted average exercise price
Balance at December 31, 2012	26,891,184	1.09
Granted	7,720,000	0.55
Forfeited	(2,263,331)	0.98
Expired	(2,641,184)	1.44
Balance at December 31, 2013	29,706,669	0.92
Granted	3,370,000	0.33
Forfeited	(3,406,669)	0.87
Balance at December 31, 2014	29,670,000	0.86

RESERVE AND RESOURCE ADVISORY

This MD&A includes information pertaining to estimates of Company reserves as per the Evaluation of the P&NG Reserves of the Company as of December 31, 2014 independently prepared by Sproule International Limited in their report dated March 18, 2015 and to internal Condor generated estimates of Company resources as of December 31, 2014 in the report dated January 20, 2015 prepared by a qualified reserves evaluator in accordance with National Instrument 51-101.

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 MD&A 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, information concerning: the ability to commence and the timing of planned exploration and development activities; the timing and duration of production interruptions; the timing and ability to execute contracts with drilling equipment suppliers and service providers; the timing and ability to obtain various approvals and permits, including development contracts; the validation of the Primary Basin geological model; the timing and ability to extend the Zharkamys exploration period; the timing and ability to access domestic and export sales markets for crude oil; the potential for other Primary Basin targets to contain reservoir quality rock; the ability to identify salt encapsulated reservoirs using seismic; the potential for the expanded acreage to contain hydrocarbons; the status of the refurbishment, expected cost, and anticipated completion of the Sagiz oil terminal and the potential acquisition thereon; the potential for additional contractual work commitments; the Company's ability to meet and fund its contractual work commitments; the satisfaction of the work commitments; the expected costs and the flexibility of capital spending plans and the potential sources of funding; projections relating to the adequacy of the Company's provision for taxes; projections and timing with respect to crude oil production; production results provided may not be indicative of future production rates, capabilities or ultimate recovery; and the estimates of reserves and future resources.

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: regulatory changes; the timing of regulatory approvals; risk that the actual minimum work program will exceed the initially estimated amount; 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, 2014.

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:

API	American Petroleum Institute
bbl	barrels of oil
bopd	barrels of oil per day
boe	barrels of oil equivalent[1]
boepd	barrels of oil equivalent per day[1]
mbbl	thousand barrels of oil
mcf	thousand cubic feet
mcfpd	thousand cubic feet per day
mmboe	million barrels of oil equivalent[1]
CAD	Canadian dollars
US $	United States dollars

[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.