Management's Discussion and Analysis
For the three and nine months ended September 30, 2015
Dated November 12, 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 unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2015, and the audited consolidated financial statements for the years ended December 31, 2014 and 2013 (the "financial statements"). This MD&A is dated November 12, 2015, the date the Condor Board of Directors approved the financial statements.

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

OVERALL PERFORMANCE

Highlights

- The KN-501 Primary Basin well located on the Company's 100% owned Zharkamys West 1 Territory in Kazakhstan was drilled to 3,992 meters and encountered numerous gas shows while drilling the over-pressured main hole section. However, subsequent to the end of the third quarter, it was determined that no commercial hydrocarbon reservoirs had been identified and the well was abandoned. It appears that the target zones were fully encapsulated in salt before younger, coarser-grained sediments were deposited. This resulted in a lack of reservoir quality rock similar to what was encountered in the Company's play opening KN-E Primary Basin discovery. The total cost of drilling KN-501 was $7.7 million.
- Using KN-501 data, the Company's high resolution 3D seismic has been calibrated to the geological age of Primary Basin sediments. This is extremely beneficial in helping to identify potential reservoir quality rock in the extensive Primary Basin inventory. KN-501 has also confirmed that hydrocarbon source, migration, trap and seal are present in this region and that the Company's geologic model is able to accurately predict sedimentary packages within salt. The Company is currently prioritizing the Primary Basin inventory with the newly calibrated 3D seismic data and applying the KN-501 and KN-E seismic interpretation learnings to mature drill-ready targets for 2016. Prospects with favorable attributes, including 4-way closure, top seal, touchdown directly on source rock, and potential for coarser grained reservoirs are being identified. Based on KN-501, the targeted drilling costs range from $7 to $9 million for well depths of 4,000 to 4,800 meters.
- The recent Primary Basin geological and operations learnings are also being applied to the Company's Pre-Salt prospect inventory. The geologic model validation from KN-501 now provides a high degree of confidence in predicting structures within the Pre-Salt. The seismic responses within the Primary Basin also confirm the ability to seismically predict the Pre-Salt geology, which is key to further developing this play type. Pre-Salt well cost estimates of $21 to $25 million for a 6,500 meter well are considerably less than prior estimates given the knowledge gained while drilling KN-501's

massive salt section and highly over-pressured formations. The Company is discussing Pre-Salt farm-down alternatives.

- There was no production in the three months ended September 30, 2015 as Shoba operations were suspended on March 15, 2015 due to constraints in local refining capacity and low prices for domestic crude oil and refined crude oil products. Production is expected to resume in the first quarter of 2016 once Shoba and Taskuduk commercial production contracts are executed and export sales are permitted.
- Working capital (defined as current assets minus current liabilities) as of September 30, 2015 was $49.3 million and the Company has no debt.

Operations

There was no production for the three months ended September 30, 2015 as Shoba operations were suspended on March 15, 2015 due to constraints in local refining capacity and low prices for domestic crude oil and refined crude oil products. Construction of the Shoba gauging station has been completed, tying in all Shoba wells and providing additional oil treatment and storage capacity. The Company is required to execute respective commercial production contracts with the Government of Kazakhstan before production can re-commence at Shoba and Taskuduk and is expected in the first quarter of 2016. The production contracts will also provide for a portion of the production at each field to be exported at world oil prices.

Due to the factors described above, revenues from crude oil sales decreased to $0.15 million for the nine months ended September 30, 2015 from $1.43 million for the same period in 2014. During the third quarter of 2015, a small amount of oil, 2,938 barrels, was sold at $14.97 per barrel compared to 11,260 barrels at $40.09 per barrel in the third quarter of 2014.

For the three months ended September 30, 2015, the net loss from continuing operations amounted to $1.4 million compared to $0.9 million of net income for the same period in 2014. For the nine months ended September 30, 2015, the net loss from continuing operations decreased to $3.9 million from $9.2 million for the same period in 2014 and was impacted mainly by the $8.3 million foreign exchange gain in 2015 compared to $0.9 million in 2014 and the deferred tax expense of $3.2 million in 2015 (2014: nil). Cash used in continuing operations decreased to $6.6 million for the nine months ended September 30, 2015 from $10.1 million in the same period in 2014.

Capital expenditures for the nine months ended September 30, 2015 increased to $10.5 million from $10.1 million in the same period of 2014 due to the current period expenditures related to drilling of the KN-501 well.

Exploration Program

The Company owns a 100% interest in the 3,777 km2 Zharkamys West 1 territory ("Zharkamys"), which is located in the Pre-Caspian Basin in Kazakhstan. The Company has acquired 2,532 km2 of high fold, high resolution 3D seismic and completed both pre-stack time migration and pre-stack depth migration processing on the entire dataset which provides excellent deep imaging on nearly the entire original Zharkamys territory of 2,610 km2. The three phased exploration portfolio is comprised of seven play types ranging from shallow Cretaceous to deep Devonian targets although the evaluation of the potential attributable to the 1,167 km2 expansion area added to Zharkamys in 2013 has not been completed.

Using KN-501 data, the Company's high resolution 3D seismic has been calibrated to the geological age of Primary Basin sediments. This is extremely beneficial in helping to identify potential reservoir quality rock in subsequent Primary Basin prospects. KN-501 has also confirmed hydrocarbon source, migration, trap and seal are present in this region and that the Company's geologic model is able to accurately predict sedimentary packages within salt. The Company is currently prioritizing the Primary Basin inventory with the newly calibrated 3D seismic data and applying the KN-501 and KN-E seismic interpretation learnings to mature drill-ready targets for 2016. Prospects with favorable attributes, including 4-way closure, top seal, touchdown directly on source rock, and potential for coarser grained reservoirs are being identified. Based on KN-501, the targeted drilling costs range from $7 to $9 million for well depths of 4,000 to 4,800 meters.

The recent Primary Basin geological and operations learnings are also being applied to the Company's Pre-Salt prospect inventory. The geologic model validation from KN-501 now provides a high degree of confidence in predicting structures within the Pre-Salt. The seismic responses within the Primary Basin also confirm the ability to seismically predict the Pre-Salt geology, which is key to further developing this play type. Pre-Salt well cost estimates of $21 to 25 million for a 6,500 meter well are considerably less than prior estimates given the knowledge gained while drilling KN-501's massive salt section and highly over-pressured formations. The Company is discussing Pre-Salt farm-down alternatives.

SELECTED FINANCIAL INFORMATION

For the three months ended September 30 ($000's)	2015	2014
Crude oil sales	44	466
Net income (loss) from continuing operations	(1,382)	943
Net income (loss) from continuing operations per share[(1)]	-	-
Net income (loss)	(1,382)	943
Net income (loss) per share[(1)]	-	-
Capital expenditures – continuing operations	6,277	6,344
For the nine months ended September 30 ($000's)		
Crude oil sales	147	1,434
Net income (loss) from continuing operations	(3,903)	(9,197)
Net income (loss) from continuing operations per share[(1)]	(0.01)	(0.03)
Net income (loss)	(3,903)	25,159
Net income (loss) per share[(1)]	(0.01)	0.07
Capital expenditures – continuing operations	10,517	10,060

(1) Basic and diluted

RESULTS OF OPERATIONS

Production

Production was suspended on March 15, 2015 due to constraints in local refining capacity and low prices for domestic crude oil and refined crude oil products and there was no production for the three months ended September 30, 2015 (three months ended September 30, 2014: 13,398 barrels or 146 bopd). Production for the nine months ended September 30, 2015 decreased 34% to 28,620 barrels or 105 bopd from 43,111 barrels or 158 bopd for the same period in 2014. Total Shoba production averaged 424 bopd during the forty nine producing days in the first quarter of 2015 in which both Sh-10h and Sh-11h were producing with the flow rates on both wells restricted to minimize the potential for water and gas coning.

Sales and marketing

For the three months ended September 30, 2015 sales revenue was $0.04 million from 2,938 barrels sold at well site facilities at an average price of $14.97 per barrel compared to sales revenue $0.5 million from the sales of 11,260 barrels at $40.09 per barrel in the same period of 2014. For the nine months ended September 30, 2015 sales revenue was $0.15 million from 17,282 barrels sold at well site facilities at an average price of $8.51 per barrel compared to sales revenue of $1.4 million from 40,569 barrels sold at an average price of $35.34 per barrel for the nine months ended September 30, 2014. Crude oil inventory at September 30, 2015 is 16,641 barrels (December 31, 2014: 5,684 barrels).

Production costs

For the nine months ended September 30, 2015 production costs decreased to $20.76 per barrel from $43.60 per barrel in 2014, excluding $0.3 million related to the inventory adjustment from cost to net realizable value in the first quarter of 2015. The cost per barrel decreased mainly as a result of cost reductions and increased production volumes from the horizontal wells at Shoba in the first quarter of 2015.

General and administrative expenses

General and administrative expenses decreased to $6.4 million for the nine months ended September 30, 2015 from $7.4 million for the same period in 2014, due primarily to cost cutting measures in the current period.

Depletion and depreciation

For the nine months ended September 30, 2015, depletion and depreciation decreased to $1.4 million from $1.5 million for the same period in 2014 due mainly to the production shut-in partially offset by the $0.4 million write-down of the depletion cost element of crude oil inventory as part of the inventory adjustment from cost to net realizable value in the first quarter of 2015.

Stock based compensation

Stock based compensation expense decreased to $0.6 million for the nine months ended September 30, 2015 from $1.1 million for the same period in 2014. The decrease is due to increased forfeiture rates and lower share prices at the time of issuance of recent grants. 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 nine months ended September 30, 2015, finance income, which includes accretion of Kazakhstan value added tax receivables ("VAT"), remained at $0.5 million in line with the comparative period of 2014.

Finance expense decreased to $0.7 million for the nine months ended September 30, 2015 from $1.1 million for the same period in 2014. The 2014 amount includes interest on short-term and long-term debt, which was repaid in 2014. The finance expenses also include the impact of discounting VAT receivables and accretion expense on historical cost obligations and decommissioning provisions.

Foreign exchange gains increased to $8.3 million in the nine months ended September 30, 2015 from $0.9 million for the same period in 2014 due to the gain on USD denominated current assets, mainly cash and cash equivalents, as the USD appreciated against the CAD during 2015.

Deferred tax expense

As at September 30, 2015 the Company recognized deferred tax liability and related deferred tax expense for the period then ended in the amount of $3.2 million (December 31, 2014: nil) arising from the foreign currency translation adjustment on intercompany loans to foreign subsidiaries denominated in USD as well as foreign exchange gains on cash held in USD due to the appreciation of USD against CAD during the period.

QUARTERLY INFORMATION

The following table sets forth selected unaudited financial information of the Company for the eight most recently completed quarters to September 30, 2015:

For the quarter ended (000's except per share amounts)	**Q3 2015**	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**(3)	**Q4 2013**
Crude oil sales (1)	44	-	103	1,108	466	510	458	696
Net income (loss) from continuing operations(2)	(1,382)	(2,481)	(40)	(1,642)	943	(6,174)	(3,967)	(3,503)
Net income (loss) from continuing operations(4) per share	-	(0.01)	-	(0.01)	-	(0.02)	(0.01)	(0.01)
Net income (loss)(2)	(1,382)	(2,481)	(40)	(1,642)	943	(6,174)	30,389	(3,792)
Net income (loss) per share(4)	-	(0.01)	-	(0.01)	-	(0.02)	0.09	(0.02)

(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. Sales in Q1-Q3 2015 were limited due to constraints in local refining capacity and low prices for Kazakhstan domestic crude oil and refined crude oil products.
(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. Significant fluctuations in net income (loss) in Q2 and Q3 of 2014 relate to foreign exchange gains and losses in the respective periods.
(3) The Company completed the disposal of its 66% interest in the Marsel territory for USD $88.0 million ($98.1 million) in Q1 2014 which resulted in a $34.5 million gain.
(4) Basic and diluted.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2015, cash and cash equivalents were $53.2 million, and working capital was $49.3 million. The Company has future contractual work commitments related to Zharkamys of zero in 2015 and $7.0 million in 2016. The Company has sufficient capital to fund its planned exploration and operating activities for at least the next twelve months.

COMMITMENTS AND CONTINGENT LIABILITIES

Work commitments

The Company has contractual work commitments pursuant to the Zharkamys territory in Kazakhstan. 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 as at September 30, 2015 are as follows:

	2015	**2016**	**Total**
Zharkamys work commitments (000's)	-	6,973	6,973

Other contractual obligations

The Company's other contractual obligations are as follows:

	Payment due by Period				
	< 1 year	1 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	4,973	-	-	-	4,973
Other long term liabilities (undiscounted)	428	1,140	1,140	2,992	5,700

OUTSTANDING SHARE DATA

Common shares

As at September 30, 2015 and the date of this MD&A there were 346,120,871 common shares outstanding.

Convertible securities

As at September 30, 2015, the Company had 32,400,000 stock options outstanding with a weighted average exercise price of $0.58. During the nine months ended September 30, 2015, the Company granted 4,200,000 stock options that have an exercise price of $0.16 per share and 7,080,000 stock options at an exercise price of $0.15 per share vesting in thirds with the first tranche vesting immediately upon grant and expire five years from the grant date. During the nine months ended September 30, 2015, 1,370,000 stock options with a weighted average price of $0.85 were forfeited (nine months ended September 30, 2014: 2,144,999 stock options with a weighted average exercise price of $0.84).

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at September 30, 2015.

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

There were no new or amended accounting standards or interpretations adopted during the nine months ended September 30, 2015. There were no new or amended accounting standards or interpretations issued during the nine months ended September 30, 2015 that are applicable to the Company in future periods.

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 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 September 30, 2015 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 September 30, 2015.

During the nine months ended September 30, 2015, 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.

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'', "appear", "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 calibrate 3D seismic to the geological age of sediments; the ability to identify potential reservoir quality rock; the ability to confirm that hydrocarbon source, migration, trap and seal are present in Zharkamys; the timing and ability to identify prospects with favorable attributes, including 4-way closure, top seal, touchdown directly on source rock, and potential for coarser grained reservoirs; the ability of the geologic model to accurately predict sedimentary packages within salt and in the Pre-Salt; the timing and ability to mature drill-ready targets; the validation of the geologic model; the ability to predict Pre-Salt geology; the timing and ability to obtain various approvals including seismic, drilling, production and construction permits; the expectations, timing and costs of exploration, appraisal and development activities including the cost of drilling future wells; the timing and ability to form a strategic partnership for exploration, appraisal and development activities; the timing and ability to bring discoveries into commercial production including the timing and ability to obtain production contracts; the timing and duration of production interruptions; the timing and ability to re-commence production; the timing and ability to access export oil sales markets; the potential for the expanded acreage to contain hydrocarbons; 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; 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 treatment under governmental regulatory regimes and tax laws.

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, which may be accessed through the SEDAR website (www.sedar.com).

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
CAD	Canadian dollars
USD	United States dollars