Management's Discussion and Analysis
For the three months ended March 31, 2016
Dated May 12, 2016

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") and the Republic of Turkey ("Turkey"). Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.

The following Management's Discussion and Analysis ("MD&A") of Condor should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2016, and the audited consolidated financial statements for the years ended December 31, 2015 and 2014 (the "financial statements"). The unaudited interim condensed consolidated financial statements and the audited consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A is dated May 12, 2016, the date the Condor Board of Directors approved the financial statements.

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

OVERALL PERFORMANCE

Highlights

- On January 7, 2016 the Company entered into an agreement with Marsa Energy Inc. ("Marsa") to acquire all of the issued and outstanding common shares of Marsa based on an exchange ratio of 1.84326 Condor common shares for each Marsa common share (the "Marsa Transaction"). On March 24, 2016 the Marsa Transaction was completed and Condor issued 8,653,013 post-consolidation common shares to the Marsa shareholders. Following the Marsa Transaction, the outstanding Condor common shares were consolidated on a ten-to-one basis with numbers of common shares adjusted retrospectively. The Company currently has 43.3 million common shares outstanding.
- The Marsa Transaction provides Condor with a 100% interest in the four Ortakoy production licenses in Turkey that includes the Poyraz Ridge field which increases Condor's gross Proved plus Probable reserves 119% from 3,104 Mboe to 6,808 Mboe as of December 31, 2015 as per the independent evaluation of crude oil reserves prepared by McDaniel & Associates Consultants Ltd. for the Kazakhstan assets and per the independent evaluation of gas and condensate reserves prepared by DeGolyer and McNaughton for the Turkish assets (see Reserves Advisory).
- As per the independent evaluations of the crude oil, condensate and gas reserves of the Kazakhstan and Turkish assets as at December 31, 2015, the corresponding reserves values (NPV_{10} after tax) for Proved reserves is USD 44.1 million, for Proved plus Probable reserves is USD 95.2 million and for Proved plus Probable plus Possible reserves is USD 163.3 million (see Reserves Advisory).
- Detailed design for a 15 MMscf/day gas processing facility is underway for the Poyraz Ridge field and contracts are being completed for long lead equipment including refrigeration and gas

compression. Location construction for the central processing facility has commenced and development well locations are being surveyed with drilling scheduled to commence in the third quarter of 2016. Up to four development wells are planned this year that will compliment gas production from three existing wells. The export pipeline route is also being surveyed. The project remains on track for gas sales to commence in mid-2017.

- Working capital (defined as current assets minus current liabilities) as of March 31, 2016 was $40.9 million and the Company had no debt.
- Shoba operations remained suspended as at March 31, 2016. Production is expected to resume in 2016 once Shoba and Taskuduk production contracts are executed and export sales are permitted.
- The Company recorded net loss of $4.1 million for the three months ended March 31, 2016 (2015: $0.04 million), which includes $2.3 million of foreign exchange loss (2015: gain of $5.5 million) and deferred tax recovery of $1.8 million (2015: deferred tax expense of $1.4 million).

Operations

There was no oil production for the three months ended March 31, 2016. The Company is required to execute respective production contracts with the Government of Kazakhstan before production can re-commence at Shoba and Taskuduk. The production contracts will also provide for a portion of the production at each field to be exported at world oil prices.

There was no oil sales in the three months ended March 31, 2016. Net loss increased to $4.1 million from $0.04 million in the first quarter of 2015 and was impacted by the $2.3 million foreign exchange loss and $1.4 million transaction costs related to the Marsa acquisition. Cash used in operations decreased to $2.3 million in the three months ended March 31, 2016 from $2.6 million in the first quarter of 2015.

Capital expenditures, excluding the Marsa Transaction, decreased to $0.6 million compared to $2.4 million in the first quarter of 2015 as the Company conserved capital. The Company plans to drill one new Shoba horizontal well during 2016 and further capital programs will depend on the timing of signing the Shoba production contract, available capital and world oil prices.

The acquisition of Marsa provides the Company a 100% interest in the 171 square km Ortakoy licenses which are located in northwest Turkey, providing access to a region with strong domestic gas demand and pricing. Ortakoy contains four contiguous production licenses that were awarded in November 2015. 472 km of 2D seismic and 16 square km of 3D seismic has been acquired on the Ortakoy licenses, and 11 wells drilled prior to the acquisition.

Gas has been discovered on five of seven structures drilled, including a significant discovery at the Poyraz Ridge field, with well data and test results indicating approximately 80 metres of net gas pay over a number of stacked reservoirs. Poyraz Ridge gas contains approximately 94% methane and has had no H_2S or CO_2 identified during well tests.

Depending on available capital, the Company plans to drill an exploitation well to test the northern extension of the Poyraz Ridge field and an exploration well for the nearby lookalike NW Poyraz Ridge structure, which is located 2 km north of the existing discovery and appears to have similar geologic attributes. The Company is also planning a 17 square km 3D seismic program on two of the other Ortakoy production licenses to mature additional prospects.

Reserves

With the addition of Marsa's Poyraz Ridge field, Condor's gross Proved plus Probable reserves have increased 119% from 3,104 Mboe to 6,808 Mboe as of December 31, 2015 as per the independent evaluation of crude oil reserves prepared by McDaniel & Associates Consultants Ltd. for the Kazakhstan assets and per the independent evaluation of gas and condensate reserves prepared by DeGolyer and McNaughton for the Turkish assets (see Reserves Advisory).

Gross Company reserves as of December 31, 2015

(in Mboe)	Kazakhstan	Turkey*	Total	Increase
Proved	1,657	1,720	3,377	104%
Probable	1,448	1,983	3,431	137%
Proved plus Probable	3,104	3,703	6,808	119%
Possible	1,354	2,547	3,901	188%
Proved plus Probable plus Possible	4,459	6,250	10,709	140%

* Including the reserves at the Poyraz Ridge field in Turkey as of December 31, 2015 which Condor acquired March 24, 2016.

As per the independent evaluations of the crude oil, condensate and gas reserves of the Kazakhstan and Turkish assets as at December 31, 2015, the corresponding reserves values (NPV10 after tax) for Proved reserves is USD 44.1 million, for Proved plus Probable reserves is USD 95.2 million and for Proved plus Probable plus Possible reserves is USD 163.3 million (see Reserves Advisory).

Since gas-water contacts have not yet been encountered nor water produced during testing operations at Poyraz Ridge, the development wells are planned to be drilled to the base of the reservoir rock to assist in further characterizing the upside potential of this gas discovery.

SELECTED FINANCIAL INFORMATION

For the three months ended March 31 ($000's)	2016	2015
Crude oil sales	-	103
Net loss	(4,065)	(40)
Net loss per share [1]	(0.12)	-
Capital expenditures	600	2,385
Capital acquisitions	9,197	-

(1) Basic and diluted

RESULTS OF OPERATIONS

Production

Production in Kazakhstan 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 oil production for the three months ended March 31, 2016 (three months ended March 31, 2015: 28,620 barrels or 318 bopd).

Sales and marketing

There were no oil sales for the three months ended March 31, 2016. During the same period in 2015, 14,334 barrels were sold at an average price of $7.18 per barrel at the well site facilities for $0.1 million of sales revenues. The production contracts for Shoba and Taskuduk to be executed with the Government of Kazakhstan are expected to allow the Company access to export sales markets for a portion of the crude oil produced from these fields.

General and administrative expenses

General and administrative expenses decreased to $2.0 million for the three months ended March 31, 2016 from $2.2 million for the same period in 2015, due primarily to cost cutting measures in the current period. The acquisition of Marsa on March 24, 2016 and the resulting increased exploration and development activities in Turkey are expected to increase general and administrative expenses for subsequent periods but the Company is expecting synergies from leveraging existing staff to minimize cost increases.

Depletion and depreciation

For the quarter ended March 31, 2016, depletion and depreciation decreased to $0.1 million from $1.0 million for the same period in 2015 due mainly to absence of oil sales in the current period and, therefore, no related depletion charges were recognized.

Stock based compensation

Stock based compensation expense decreased to $0.1 million for the three months ended March 31, 2016 from $0.2 million for the same period in 2015. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Finance income, expense and accretion expense

For the three months ended March 31, 2016, finance income, which includes accretion of Kazakhstan value added tax receivables ("VAT"), decreased to $0.1 million compared to $0.2 million in the same period of 2015.

Finance expense decreased to $0.1 million for the three months ended March 31, 2016 from $0.4 million for the same period in 2015. The expense includes the impact of discounting VAT receivables and accretion expense on historical cost obligations and decommissioning provisions.

Foreign exchange loss amounted to $2.3 million in the three months ended March 31, 2016 compared to the gain of $5.5 million for the same period in 2015 due to the foreign exchange loss on USD denominated current assets, mainly cash and cash equivalents, due to the depreciation of the USD against the CAD.

Deferred tax expense

Deferred tax recovery amounted to ($1.8) million for the three months ended March 31, 2016 compared to an expense of $1.4 million in the same period of 2015. Movements in deferred tax liabilities and related expense (recovery) arise mainly due to the foreign currency translation adjustments on Condor's USD denominated intercompany loans to foreign subsidiaries and foreign exchange differences on USD cash held.

QUARTERLY INFORMATION

The following table sets forth selected unaudited financial information of the Company for the eight most recently completed quarters to March 31, 2016:

For the quarter ended (000's except per share amounts)	**Q1 2016**	**Q4 2015**	**Q3 2015**	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**
Crude oil sales (1)	-	-	44	-	103	1,108	466	510
Net income (loss)(2)	(4,065)	585	(1,382)	(2,481)	(40)	(1,642)	943	(6,174)
Net income (loss) per share (3)	(0.12)	0.02	(0.04)	(0.07)	-	(0.05)	0.03	(0.18)

(1) Production has been partially constrained and inconsistent due to Kazakhstan regulations limiting initial production from exploration wells to ninety day test periods, trial production and exploration period limitations, and gas flaring restrictions and permitting. Sales in 2015 and Q1 2016 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 from continuing operations for all quarters presented, except Q3 2014 and Q4 2015, reflects the limited production to date during test production at Zharkamys and the various expenses including production costs, general and administrative costs, stock based compensation expense and finance and accretion expense incurred to manage the Company's exploration properties. Net income (loss) in all periods is impacted by foreign exchange gains and losses in the respective periods.

(3) Basic and diluted.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, cash and cash equivalents were $42.9 million, and working capital was $40.9 million. The Company has future contractual work commitments of $2.6 million in 2016 related to Zharkamys in Kazakhstan and $4.3 million related to the Ortakoy properties in Turkey for 2016-2017. The Company has sufficient capital to fund the planned exploration and operating activities for at least the next twelve months.

COMMITMENTS AND CONTINGENT LIABILITIES

Zharkamys work program

The Company has contractual work commitments pursuant to the Zharkamys territory in Kazakhstan. These 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 work commitments, which could be significant. Non-fulfilment of work commitments in Kazakhstan could result in punitive actions by the Government of Kazakhstan including suspending or revoking the contract. Financial work commitment shortfalls may be subject to penalties of 30% of the shortfall.

The remaining Zharkamys work commitments as at March 31, 2016 and for the period until the expiry of the Zharkamys exploration license on December 14, 2016 amount to $2.6 million. The Company has commenced the process of applying for an extension to the exploration period and although the Company expects to receive an extension, there is uncertainty regarding the ability to obtain such an extension and the timing thereof.

Ortakoy work program

As at March 31, 2016 the Company has commitments to drill exploration wells during 2016-2017 on each of the H17 a2-1 and H17 b1-1 licenses in Turkey. The estimated cost is $1.1 million per well and $2.2 million in total. Failure to drill a commitment well on a certain production license could lead to the loss of that production license.

Other contractual obligations

The Company's other contractual obligations are as follows:

	Payment due by Period				
(000's)	< 1 year	1 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	2,728	-	-	-	2,728
Non-cancellable operating leases	502	116	-	-	618
Other long term liabilities (undiscounted)	370	986	986	2,588	4,930

OUTSTANDING SHARE DATA

Common shares

As at March 31, 2016 and the date of this MD&A there were 43,265,100 common shares outstanding.

Convertible securities

As at March 31, 2016, the Company had 3,218,000 stock options outstanding with a weighted average exercise price of $5.85.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at March 31, 2016.

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.

- Business combinations: the Company uses the acquisition method to account for business combinations. Assets acquired and liabilities assumed in a business combination are recorded at fair value at the time of acquisition. The determination of fair value requires the Company to make estimates, assumptions and judgments that are subject to measurement uncertainty. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities, including the fair value of property and equipment, other long-term assets and provisions. Consequently, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings, due to the impact on future depreciation and depletion expense as well as impairment tests.

- Impairment testing: estimates include volumes of recoverable reserves and resources, future commodity prices, future operating and capital costs, production profiles, discount rates, and consequently 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 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, forfeiture rates and risk free rates; and
- 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.

There were no new or amended accounting standards or interpretations adopted during the period ended March 31, 2016.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

During three months ended March 31, 2016, there have been no changes to the Company's ICFR that have materially, or are reasonably likely to materially affect the ICFR. Because of their inherent limitations, DC&P and ICFR 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.

RESERVES ADVISORY

This MD&A includes information pertaining to the independent Evaluation of Crude Oil Reserves Shoba and Taskuduk West Fields, Kazakhstan as of December 31, 2015 prepared by independent reserves evaluators McDaniel & Associates Consultants Ltd. ("McDaniel") and the Report as of December 31, 2015 on Reserves and Revenue Attributable to the Poyraz Ridge Field in the Thrace Basin, Turkey prepared by DeGolyer and MacNaughton ("D&M"). Each report was prepared by qualified reserves evaluators in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and are based on respective McDaniel and D&M forecast pricing effective December 31, 2015. Additional reserve information as required under NI 51-101 is included in the Company's Annual Information Form filed on SEDAR.

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

References herein to barrels of oil equivalent ("boe") are derived by converting gas to oil in the ratio of six thousand cubic feet ("Mcf") of gas to one barrel of oil based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf to 1 barrel, utilizing a conversion ratio at 6 Mcf to1 barrel may be misleading as an indication of value, particularly if used in isolation.

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

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

"Possible" reserves are those additional reserves that are less certain to be recovered than Probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements under applicable securities legislation. Such statements are generally identifiable by the terminology used, such as "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 timing and ability to mature drill-ready targets; the timing and ability to obtain various approvals for the Company's exploration and development activities; the expectations, timing and costs of exploration, appraisal and development activities including the cost of drilling future wells; historical oil and gas prices may not be indicative of future oil and gas prices; the historical composition and quality of oil and gas may not be indicative of future composition and quality; the timing and ability to develop the gas reserves, construct the required infrastructure and deliver first gas; the timing and ability to obtain future funding on favourable terms; the timing and ability to access oil and gas pipelines and oil and gas domestic and export sales markets; the timing and ability to obtain exploration and production contract extensions; 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, uncertainty and proportion of production which will be sold on export markets, if any; 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; the timing and ability to collect overdue accounts receivables; the timing and ability to collect VAT; 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:

Mbbl	Thousands of barrels of oil
Mboe	Thousands of barrels of oil equivalent
NPV	Net present value
BCF	Billion cubic feet
MMscf	Million standard cubic feet
bopd	Barrels of oil per day
CAD	Canadian dollars
USD	United States dollars
KZT	Kazakhstan Tenge
P&NG	Petroleum and natural gas
km	Kilometer