Management's Discussion and Analysis
For the three months ended March 31, 2017
Dated May 15, 2017

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, 2017 and 2016, and the audited consolidated financial statements for the years ended December 31, 2016 and 2015 (the "financial statements"). The 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 15, 2017, the date the Condor Board of Directors approved the financial statements.

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

OVERALL PERFORMANCE

Highlights

- Construction of the Poyraz Ridge gas processing facility continues on schedule and the project is expected to deliver 10 MMscf/day when production commences in mid-2017.
- Drilling activities are underway on the Poyraz West 4 development well and the lateral section is being drilled. The Yakamoz 1 exploration prospect is scheduled to be drilled once Poyraz West 4 is completed.
- For the three months ended March 31, 2017 the Company produced an average of 418 bopd in Kazakhstan. Oil production is currently 500 to 600 barrels per day.
- On January 10, 2017, the Company established a USD 10.0 million ($13.1 million) secured non-revolving credit facility (the "Credit Facility") and on February 1, 2017 received the loan proceeds (the "Loan Proceeds") from the arm's length lender. The Credit Facility bears interest at 14% and matures three years from the date the Loan Proceeds are received. The Company also issued to the lender a warrant certificate exercisable into one million common shares of Condor at $2.35 per share on or before January 31, 2020.
- The Ministry of Energy in Kazakhstan has successfully appealed the civil court ruling that could extend the Zharkamys exploration contract term by 630 days. The Company is in the process of referring the case to the Supreme Court of Kazakhstan. The ongoing court proceedings do not affect the Company's production rights for the Shoba and Taskuduk oilfields which are each governed by separate production contracts.
- Working capital (defined as current assets minus current liabilities) as of March 31, 2017 was $20.9 million.

- Capital expenditures for the three months ended March 31, 2017 amounted to $8.3 million (2016: $0.6 million) and relate mainly to Poyraz Ridge field development in Turkey.
- The Company recorded net loss of $59.9 million for the three months ended March 31, 2017 (2016: $4.1 million), which includes exploration and evaluation expenses of $56.6 million related to the derecognition of exploration and evaluation assets in Kazakhstan under the Zharkamys contract.

Operations

For the three months ended March 31, 2017 the Company produced 37,648 barrels of oil or an average of 418 bopd (three months ended March 31, 2016: nil). Production was constrained due to temporary spring break up road bans that limited trucking and a pump failure on one well. Oil production is currently 500 to 600 barrels per day as the road bans have been lifted and the well workover has been completed.

For the three months ended March 31, 2017, the net loss amounted to $59.9 million (2016: $4.1 million) due primarily to the exploration an evaluation expense of $56.6 million. Cash used in operations amounted to $2.2 million for three months ended March 31, 2017 compared to $2.3 million in the first quarter of 2016.

Capital expenditures for the three months ended March 31, 2017 amounted to $8.3 million (2016: $0.6 million) and relates mainly to Poyraz Ridge field development in Turkey. Construction of the Poyraz Ridge gas processing facility continues on schedule and the project is expected to deliver 10 MMscf/day when production commences in mid-2017. All the major gas processing equipment has been installed and the remaining components are being assembled. Inter-field pipeline construction and hydro-testing has been completed and the facility has been connected to the regional power grid. Construction is also underway on the 6 inch sales gas pipeline.

A four well Poyraz Ridge appraisal and development drilling program was completed in January 2017 with each well encountering multiple stacked-pay intervals. Completion and testing operations commenced in late December 2016 and are expected to be completed in the second quarter of 2017. During the clean-up flow period on some of the target intervals, gas flow was restricted by paraffin (wax) build-up, limiting the well's ability to provide stabilized measurements. The paraffin was observed in the tubing string and in surface test equipment. A chemical inhibitor has been identified that prevents the paraffin from plugging the tubing string and surface facilities. Equipment has been purchased to enable continuous downhole chemical treatment and is being installed. Treating paraffin by injecting chemicals downhole is a common practice.

Drilling activities are underway on the Poyraz West 4 development well and the targeted Gazhanedere sandstone has been penetrated. The lateral section is currently being drilled which will then be completed and tested. The wellbore's placement, in conjunction with the inherently lower drawdown pressures associated with horizontal wells, is expected to mitigate any paraffin production while providing higher deliverability rates than the existing vertical wells for this Gazhanedere interval. No paraffin issues have been encountered on prior tests of this interval.

Once the Poyraz West 4 well is completed, the drilling rig is planning to move to the Yakamoz 1 exploration prospect, located 2 km north of the Poyraz Ridge field. Based on existing seismic data and well results from Poyraz Ridge, the Yakamoz prospect could be more highly fractured and gas rich than the reservoirs encountered at Poyraz Ridge.

The Company's Zharkamys exploration contract ("Zharkamys Contract") with the Ministry of Energy of the Government of Kazakhstan ("Ministry") was due to expire on December 14, 2016. Prior to this date, the Kazakhstan Chamber of International Commerce and subsequently the Kazakhstan Civil Court ("Civil Court") confirmed that a force majeure event had occurred which, under Kazakhstan subsurface use law, can be the basis for the Zharkamys Contract validity period to be extended for a period of 630 days.

In December 2016, the Ministry filed an appeal to the Civil Court's decision. In February 2017, the Kazakhstan Court of Appeal ("Court of Appeal") declined to consider the Ministry's submission due to its formal non-compliance with Kazakhstan civil law procedures. Subsequent to the release of the Company's 2016 year-end financial statements and related disclosures on March 22, 2017, the Company received notice that the Ministry had re-filed their appeal. The Court of Appeal has now ruled that the force majeure event is not recognized and have reversed the decision of the Civil Court. As a result of the Court of Appeal ruling, there is uncertainty regarding the Company's future legal rights to have the Zharkamys Contract extended.

The Company is in the process of referring the case to the Supreme Court of Kazakhstan ("Supreme Court"), the country's highest legal body. A positive ruling by the Supreme Court to uphold the Civil Court force majeure ruling would likely allow the Company to apply to the Ministry for the 630 day Zharkamys Contract extension. A negative ruling would likely result in the Zharkamys Contract reverting back to the Ministry.

The ongoing court proceedings do not affect the Company's production rights for the Shoba and Taskuduk oilfields which are each governed by separate production contracts.

Credit Facility

During the first quarter of 2017, the Company received USD 10.0 million ($13.1 million) from a secured non-revolving credit facility (the "Credit Facility"). The three-year Credit Facility bears interest at 14% and provides for a one year repayment holiday whereby interest for the first year is due on January 31, 2018 followed by eight payments of USD 1.25 million of principal plus interest due quarterly in arrears. Condor also issued to the lender a warrant certificate exercisable into one million common shares of Condor at $2.35 per share on or before January 31, 2020. The Loan Proceeds are available to fund capital expenditures related to drilling, infrastructure and workovers at Poyraz Ridge and for general corporate purposes.

SELECTED FINANCIAL INFORMATION

For the three months ended March 31 ($000's)	2017	2016
Crude oil sales	947	-
Net loss	(59,907)	(4,065)
Net loss per share(1)	(1.38)	(0.12)
Capital expenditures	8,298	600
Capital acquisitions	-	9,197

(1) Basic and diluted

RESULTS OF OPERATIONS

Production

Production amounted to 37,648 barrels or 418 bopd for the three months ended March 31, 2017 at Shoba and Taskuduk fields in Kazakhstan. There was no production in the three months ended March 31, 2016.

Sales and marketing

Sales in three months ended March 31, 2017 amounted to 31,844 barrels of oil and revenue of $0.9 million, or $29.72 per barrel. There were no oil sales for the three months ended March 31, 2016.

Production costs

The Company recognized production costs of $0.3 million for the three months ended March 31, 2017 or $10.92 per barrel. Production costs were nil in the three months ended March 31, 2016 as there was no production or sales in the period.

General and administrative expenses

General and administrative expenses increased to $2.5 million for the three months ended March 31, 2017 from $2.0 million for the same period in 2016, due primarily to a one-time charge of $0.3 million for Turkish stamp taxes on the signing of the Company's gas sales agreement. Although the current period reflects additional costs related to managing the development activities in Turkey, the Company continues to utilize existing staff and resources to minimize cost increases.

Depletion and depreciation

For the quarter ended March 31, 2017, depletion and depreciation increased to $0.6 million from $0.1 million for the same period in 2016 due mainly to absence of oil sales in the prior period and, therefore, no related depletion charges were recognized.

Stock based compensation

Stock based compensation expense increased to $0.3 million for the three months ended March 31, 2017 from $0.1 million for the same period in 2016. 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, 2017, finance income, which includes accretion of Kazakhstan value added tax ("VAT") receivables, remained at $0.1 million, in line with the previous period.

Finance expense increased to $0.5 million for the three months ended March 31, 2017 from $0.1 million for the same period in 2016. The expense includes interest on the borrowings, amortization of loan issuance costs, the impact of discounting VAT receivables and accretion expense on historical cost obligations and decommissioning provisions.

Foreign exchange loss amounted to $0.1 million in the three months ended March 31, 2016 compared to $2.3 million for the same period in 2016 due to the foreign exchange movements of USD denominated current assets, mainly cash and cash equivalents as well short-term and long-term portions of the USD denominated borrowings.

Deferred tax expense

Deferred tax expense (recovery) amounted to nil for the three months ended March 31, 2017 compared to a recovery of $1.8 million in the same period of 2016. 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, 2017:

For the quarter ended (000's except per share amounts)	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Q4 2015**	**Q3 2015**	**Q2 2015**
Crude oil sales (1)	947	1,203	72	257	-	-	44	-
Net income (loss)(2)	(59,907)	(3,183)	(1,650)	(2,994)	(4,065)	585	(1,382)	(2,481)
Net income (loss) per share (basic and diluted)	(1.38)	(0.07)	(0.04)	(0.06)	(0.12)	0.02	(0.04)	(0.07)

(1) Prior to Q4 2016, production and sale volumes were partially constrained and inconsistent due to certain trial production and exploration period limitations, gas flaring restrictions and permitting, low prices for Kazakhstan domestic crude oil and refined crude oil products and delays experienced in executing respective production contracts for Shoba and Taskuduk.

(2) Net income (loss) in all periods has been impacted by, among other things, production and sales issues discussed in (1) above, general and administrative costs and foreign exchange gains and losses in the respective periods. The Q1 2017 net loss includes a $56.6 million exploration and evaluation expense for the derecognition of the Zharkamys Contract.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2017, cash and cash equivalents were $22.6 million, and working capital was $20.9 million.

The Company has various work commitments related to the respective Shoba and Taskuduk contracts in Kazakhstan as set forth in the "Commitments and Contingent Liabilities" section below.

As at March 31, 2017, the Company has sufficient capital to fund the planned exploration and operating activities for at least the next twelve months. Crude oil sales in Kazakhstan and natural gas sales in Turkey are expected to fund a portion of the cash requirements. Any potential shortfalls may be required to be funded through various debt and equity instruments, asset portfolio management and other available corporate and financial opportunities.

COMMITMENTS AND CONTINGENT LIABILITIES

The Company has various work commitments related to the respective Shoba and Taskuduk contracts in Kazakhstan. There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkey.

(millions)	< 1 year	1-3 years	Total
Shoba	14.6	3.7	18.3
Taskuduk	0.7	0.4	1.1

Shoba and Taskuduk work programs

The Company has contractual work commitments pursuant to the Shoba and Taskuduk production contracts in Kazakhstan. These work commitments may be amended from time to time in accordance with planned development activities proposed by the Company and approved by the Government of Kazakhstan and additional amounts could be significant. Non-fulfilment of work commitments for Shoba or

Taskuduk could result in punitive actions including the suspension or revocation of the respective contract in case financial work commitment fulfilment is less than thirty percent for two subsequent years. Financial work commitment shortfalls for development activities at Shoba and Taskuduk are not subject to penalties while shortfalls on the training, social development and scientific research components may be subject to penalties of 1% of the shortfall.

Other contractual obligations

The Company's other contractual obligations as at March 31, 2017 are as follows:

(000's)	< 1 year	1-3 years	4-5 years	> 5 years	Total
Accounts payable and accrued liabilities	3,376	-	-	-	3,376
Non-cancellable operating leases	166	562	95	-	823
Other long term liabilities (undiscounted)	499	997	997	2,494	4,987

Other long term liabilities are amounts to be reimbursed to the Government of Kazakhstan for historical costs incurred on the Company's properties prior to acquisition and include expenditures for drilling, seismic and other geological and geophysical works.

OUTSTANDING SHARE DATA

Common shares

As at March 31, 2017 and the date of this MD&A there were 43,265,100 common shares outstanding.

Convertible securities

As at March 31, 2017 and the date of this MD&A, outstanding convertible securities are comprised of 3,372,000 stock options with a weighted average exercise price of $2.73 and a warrant certificate exercisable into one million common shares of Condor at $2.35 per share.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at March 31, 2017.

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.

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 future forecast prices 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 over the Proved and Probable reserves for each cash generating unit and a revision in the productive capacity of the assets may result in increased depletion and a reduced net book value of assets;
- 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;
- Warrants: estimates include determining appropriate share price volatility 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, 2017.

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 the three months ended March 31, 2017, 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.

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", "in the process of" or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, information concerning: the timing and ability to develop the gas reserves, construct the required infrastructure and to commence producing and selling gas; the timing and ability to conduct drilling, work over, and completion and testing operations; the expectations, timing and costs of exploration, appraisal and development activities; the ability of the drilled wells to become future gas producing wells; uncertainty regarding the Company's future legal rights to have the Zharkamys Contract extended; the timing of and ability to maintain the Zharkamys Contract; the timing and ability to refer the case to the Supreme Court; the timing, results and impact of any Supreme Court ruling; and the impact, if any, on the Shoba and Taskuduk production contracts; historical production and testing rates may not be indicative of future production rates, capabilities or ultimate recovery; projections and timing with respect to crude oil and gas production; historical oil and gas prices may not be indicative of future oil and gas prices; the timing and ability to obtain various approvals for the Company's exploration and development activities; the ability to integrate drilling results and seismic interpretation to allow mapping of key reservoirs and characterize exploration prospects including the potential for Yakamoz 1 well to be more highly fractured and gas rich than at Poyraz Ridge; the timing and ability to apply wax production treatment measures; the timing and ability of horizontal well to achieve higher deliverability than vertical wells; 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 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 results of non-fulfillment of work commitments; the expectations related to future general and administrative and other expenses; projections relating to the adequacy of the Company's provision for taxes; 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; the historical composition and quality of oil and gas may not be indicative of future composition and quality; general economic, market and business conditions; industry capacity; uncertainty related to 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
MM	Million
Q	Quarter
scf	Standard cubic feet
USD	United States dollars
%	Percent