

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Condor Petroleum Inc. (**Condor**)  
Suite 2400, 144 - 4th Avenue SW  
Calgary, Alberta T2P 3N4

**Item 2 Date of Material Change**

May 4, 2017

**Item 3 News Release**

A news release disclosing the material change was disseminated on May 4, 2017 through the services of Marketwired.

**Item 4 Summary of Material Change**

The Kazakhstan Court of Appeal (**Court of Appeal**) released a judgment on May 2, 2017 which reverses a lower court finding that a force majeure event had occurred under Condor's Zharkamys exploration contract with the Ministry of Energy of the Government of Kazakhstan (**Ministry**). In the judgment of the Court of Appeal, a force majeure event did not occur. As a result there is uncertainty regarding Condor's future legal rights for extending the term of the contract.

**Item 5.1 Full Description of Material Change**

Condor's Zharkamys exploration contract (**Contract**) with the 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 extending the validity period of the Contract for a period of 630 days.

In December 2016, the Ministry filed an appeal of the Civil Court's decision. In February 2017, the 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 Condor's 2016 year-end financial statements and related disclosures on March 22, 2017, Condor received notice that the Ministry re-filed its appeal. On May 2, 2017 the Court of Appeal reversed the decision of the Civil Court by ruling that the force majeure event is not recognized. As a result of the Court of Appeal's ruling, there is uncertainty regarding Condor's future legal rights for extending the Contract.

Condor plans to refer the case to the Supreme Court of Kazakhstan (**Supreme Court**). A positive ruling by the Supreme Court to uphold the Civil Court decision would likely allow Condor to apply to the Ministry for a 630 day extension of the Contract. A negative ruling would likely result in the Contract reverting back to the Ministry.

**Item 5.2 Disclosure for Restructuring Transaction**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Don Streu, President & Chief Executive Officer  
Sandy Quilty, Vice President Finance & Chief Financial Officer  
Telephone: (403) 201-9694

**Item 9 Date of Report**

May 9, 2017.

***Advisory on Forward-Looking Statements:***

All statements other than statements of historical fact may be forward-looking statements. Such statements are generally identifiable by the terminology used, such as “seek”, “appear”, “anticipate”, “believe”, “intend”, “expect”, “plan”, “estimate”, “continue”, “project”, “predict”, “budget”, “outlook”, “may”, “will”, “should”, “could”, “would” or other similar wording. Forward-looking statements in this material change report include, but are not limited to information concerning Condor’s plan to refer the case to the Supreme Court and the outcome of such legal proceedings. Forward-looking statements involve the use of certain assumptions that may not materialize or that may not be accurate and are subject to known and unknown risks and uncertainties and other factors, which may cause actual results or events to differ materially from those expressed or implied by such information. Condor’s operations are also subject to certain other risks and uncertainties inherent with oil and gas operations and additional information on these and other factors that could affect Condor’s operations and financial results. These factors are discussed in greater detail under Risk Factors - Risks Relating to the Company in Condor’s Annual Information Form, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Condor believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Condor does not undertake any obligation to update or to revise any of the forward looking information, except as required by applicable law.