



Management's Discussion and Analysis
For the three and nine months ended September 30, 2024 and 2023
Dated November 12, 2024

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Energies Inc. ("Condor" or the "Company") is an internationally focused energy transition company incorporated on October 20, 2006 and uniquely positioned on the doorstep of European and Asian markets. With producing natural gas and condensate assets in Uzbekistan, an ongoing initiative to construct and operate Central Asia's first LNG facility in Kazakhstan, and a separate initiative to develop and produce lithium brine in Kazakhstan, the Company has built a strong foundation for reserves, production and cashflow growth while also striving to minimize its environmental footprint. Condor is a publicly traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "CDR". Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2023, is available on SEDAR+ at: www.sedarplus.ca.

The Company's Management's Discussion and Analysis ("MD&A") which follows should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 (the "Financial Statements"), and the audited consolidated financial statements and associated MD&A for the years ended December 31, 2023 and 2022. The Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, under IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A is dated November 12, 2024, the date that the Condor Board of Directors approved the Financial Statements and this MD&A.

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

OVERALL PERFORMANCE

Highlights

- Production in Uzbekistan for the third quarter of 2024 averaged 10,010 boe/d comprised of 58,638 Mcf/d (9,773 boe/d) of natural gas and 237 bopd of condensate.
- In June 2024, the Company initiated a multi-well workover campaign on the eight gas-condensate fields it operates in Uzbekistan. A second workover rig began operations in late October 2024.
- Production in Uzbekistan for the past seven days from November 5, 2024 through November 11, 2024 has averaged 10,706 boe/d due to continued workover successes and the partial commissioning of the first in-field flowline water separation system in early November.
- Uzbekistan gas and condensate sales for the third quarter of 2024 was \$19.14 million.
- In July 2024, Condor signed its first LNG Framework Agreement for the production and utilization of liquefied natural gas ("LNG") to fuel Kazakhstan's rail locomotives.

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- In August 2024, the Company received a second natural gas allocation in Kazakhstan to be used as feed gas for the Company's second modular LNG production facility.

Production in Uzbekistan

On January 30, 2024, the Company executed a production enhancement services contract with a national holding company of Uzbekistan to increase the production, ultimate recovery and overall system efficiency from an integrated cluster of eight conventional natural gas-condensate fields in Uzbekistan (the "PEC Project").

Production for the third quarter of 2024 averaged 10,010 boe/d, comprised of 58,638 Mcf/d (9,773 boe/d) of natural gas and 237 bopd of condensate, despite production being restricted in August for 4 days due to downstream infrastructure maintenance at non-Company operated facilities. Since assuming operations on March 1, 2024, the Company has been able to flatten the natural production decline rates, which previously exceeded twenty percent annually.

In late June 2024, the Company initiated a multi-well workover campaign for the eight fields which includes installing proven artificial lift equipment, perforating newly identified pay intervals, performing downhole stimulation treatments, and installing new production tubing. Based on early successes, a second workover rig was contracted and began operating in late October 2024.

In early November 2024, the Company partially commissioned Uzbekistan's first in-field flowline water separation system which separates water from the gas streams at the field gathering network rather than at the production facility. This reduces pipeline flow pressure that can lead to higher reservoir flow rates. Additional separation units have been ordered and will be installed in the coming months. The existing pipeline and facilities infrastructure are also being evaluated to optimize water-handling, determine long term field compression requirements, and to enhance in-field gathering networks. Production during the past seven days from November 5, 2024 to November 11, 2024 has averaged 10,706 boe/d due to continued workover successes and the partial commissioning of the first in-field flowline water separator.

Extensive geological evaluations that have been performed, coupled with recent workover results, suggest that material untapped hydrocarbon potential exists within the carbonate formations of the Company's 279 km² license area. These carbonate platforms contain thick reservoir sections interbedded with laterally extensive evaporite layers, creating ideal conditions for hydrocarbon trapping. The reservoirs are analogous to carbonate formations in Canada's Western Canada Sedimentary Basin, such as Charlie Lake and Midale, which continue to be successfully monetized. By leveraging this geological similarity, the Company is maturing the potential of horizontal and multi-lateral drilling, a proven method in Canada to enhance deliverability and maximize recovery from these reservoirs. The Company is also reprocessing previously acquired 3-D seismic data and integrating preliminary results into these evaluations, with plans to conduct infill drilling and well deepening programs commencing in 2025.

LNG in Kazakhstan

Condor is planning to develop Kazakhstan's first LNG facilities and produce, distribute, and sell LNG to offset industrial diesel usage. LNG applications include rail locomotives, long-haul truck fleets, marine vessels, mining equipment, municipal bus fleets, agricultural machinery, and other heavy equipment and machinery with high-horsepower engines. These applications have all successfully used LNG fuel in other Countries.

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In August 2024, the Company received a second natural gas allocation in Kazakhstan to be used as feed gas for the Company's second modular LNG production facility that will be located near the Kuryk Port on the Caspian Sea. This second gas allocation will supply the Company's planned Kuryk LNG facility which will produce the energy-equivalent volume of 565,000 litres of diesel fuel per day and is sufficient to power 155 mainline rail locomotives. When combined with the first gas allocation disclosed in January 2024 for the Alga LNG facility, the total LNG fuel produced will have an energy-equivalent volume of over one million litres of diesel daily, while also reducing CO₂ emissions equivalent to removing more than 38,000 cars from the road annually.

In July 2024, the Company signed its first LNG Framework Agreement (the "Framework Agreement") for the production and utilization of LNG to fuel Kazakhstan's rail locomotives. The Framework Agreement was also signed by Kazakhstan Temir Zholy National Company JSC ("KTZ"), the national railway operator of Kazakhstan and Wabtec Corporation ("Wabtec") (NYSE: WAB), a U.S. based locomotive manufacturer with existing facilities in Kazakhstan. KTZ and Wabtec previously signed a memorandum of understanding which includes modernization work to retrofit KTZ's mainline locomotive fleet for LNG usage and incorporate LNG into new-build locomotives. The Framework Agreement introduces Condor into this locomotive fleet modernization strategy as the supplier and distributor of the LNG.

The Framework Agreement also provides a detailed framework whereby the three parties will coordinate efforts to ensure that Condor's LNG production volumes coincide with the delivery of new and converted LNG-powered rail locomotives from Wabtec. A working group comprised of members from each of the parties is responsible to identify and monitor the key performance indicators associated with this initiative.

The Framework Agreement is critical to supplying a stable, economic and more environmentally friendly fuel source for the Transcaspian International Transport Route ("TITR") expansion, which is currently the shortest, fastest and most geopolitically secure transit corridor for moving freight between Asia and Europe. The Government of Kazakhstan and KTZ are making significant investments in TITR infrastructure, including expanding the rail network, constructing a new dry port at the Kazakhstan – China border, and increasing the container-handling capacities at various Caspian Sea ports.

The planned first modular LNG facility will be constructed near the town of Alga and produce 120,000 metric tons of LNG annually, which is the energy equivalent volume of 450,000 litres of diesel per day. Phase 1 of the first facility is currently scheduled to commence LNG production in the second half of 2026. The Company is also advancing project funding alternatives.

Lithium License in Kazakhstan

The Company holds a 100% working interest in the contiguous 37,300-hectare area which provides the subsurface exploration rights for solid minerals for a six-year term (the "Lithium License"). Given its strategic access to Asian and European lithium markets, this region is ideally suited for the rapid deployment of emerging Direct Lithium Extraction ("DLE") technologies to generate lithium for EV batteries and other electricity storage applications.

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The initial development plan for the Lithium License includes drilling and testing two wells to verify deliverability rates, confirm the lateral extension and concentrations of lithium in the tested and untested intervals, conduct preliminary engineering for the production facilities, and prepare a mineral resources or mineral reserves report compliant with *National Instrument 43-101 Standards of Disclosure for Mineral Projects*.

RESULTS OF OPERATIONS

Production			
For the three months ended September 30	2024	2023	Change
<u>Natural gas (Mcf)</u>			
Uzbekistan	5,394,729	-	5,394,729
Türkiye	5,929	6,021	(92)
	5,400,658	6,021	5,394,637
<u>Condensate (barrels)</u>			
Uzbekistan	21,771	-	21,771
Türkiye	-	-	-
	21,771	-	21,771
For the nine months ended September 30			
<u>Natural gas (Mcf)</u>			
Uzbekistan	12,794,678	-	12,794,678
Türkiye	27,324	33,564	(6,240)
	12,822,002	33,564	12,788,438
<u>Condensate (barrels)</u>			
Uzbekistan	49,845	-	49,845
Türkiye	-	10	(10)
	49,845	10	49,835

Production enhancement operations commenced in Uzbekistan on March 1, 2024 and natural gas production was 5,394,729 Mcf or an average of 58,638 Mcf/d for the three months ended September 30, 2024 and 12,794,678 Mcf or an average of 59,788 Mcf/d for the period from March 1, 2024 to September 30, 2024. Associated condensate production was 21,771 barrels or an average of 237 bopd for the three months ended September 30, 2024 and 49,845 barrels or an average of 233 bopd for the period from March 1, 2024 to September 30, 2024.

Natural gas production in Türkiye decreased 2% to 5,929 Mcf or an average of 64 Mcf/d day for the three months ended September 30, 2024 from 6,021 Mcf or an average of 65 Mcf/d in the same period in 2023, and decreased 19% to 27,324 Mcf or an average of 100 Mcf/d for the nine months ended September 30, 2024 from 33,564 Mcf or an average of 123 Mcf/d in the same period in 2023. The production decline is due mainly to the maturing Poyraz Ridge field which has been producing for seven years with water production and natural pressure declines impeding gas production rates, along with the neighbouring Destan field being temporarily suspended in August 2024.

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Operating Netback – Uzbekistan

2024 Operating netback ^{1,2}	Uzbekistan Natural Gas			
	Q1	Q2	Q3	Total ²
Natural gas sales (\$000's)	6,565	17,420	17,419	41,404
Royalties (\$000's)	(1,203)	(3,186)	(3,215)	(7,604)
Production costs (\$000's)	(2,288)	(7,394)	(7,394)	(17,076)
Transportation and selling (\$000's)	(228)	(619)	(625)	(1,472)
Operating netback (\$000's) ^{1,2}	2,846	6,221	6,185	15,252
Natural gas sales (Mcf)	1,888,789	4,994,363	5,010,202	11,893,354
Natural gas sales (\$/Mcf)	3.48	3.49	3.48	3.48
Royalties (\$/Mcf)	(0.64)	(0.64)	(0.64)	(0.64)
Production costs (\$/Mcf)	(1.21)	(1.48)	(1.48)	(1.44)
Transportation and selling (\$/Mcf)	(0.12)	(0.12)	(0.12)	(0.12)
Operating netback (\$/Mcf) ^{1,2}	1.51	1.25	1.24	1.28

2024 Operating netback ^{1,2}	Uzbekistan Condensate			
	Q1	Q2	Q3	Total ²
Condensate sales (\$000's)	647	1,534	1,717	3,898
Royalties (\$000's)	(128)	(304)	(339)	(771)
Production costs (\$000's)	(37)	(141)	(146)	(324)
Transportation and selling (\$000's)	(3)	(7)	(9)	(19)
Operating netback (\$000's) ^{1,2}	479	1,082	1,223	2,784
Condensate (bbl)	8,187	19,778	21,756	49,721
Condensate sales (\$/bbl)	79.03	77.56	78.92	78.40
Royalties (\$/bbl)	(15.63)	(15.37)	(15.58)	(15.51)
Production costs (\$/bbl)	(4.52)	(7.13)	(6.71)	(6.52)
Transportation and selling (\$/bbl)	(0.37)	(0.35)	(0.41)	(0.38)
Operating netback (\$/bbl) ^{1,2}	58.51	54.71	56.22	55.99

2024 Operating netback reconciliation to the Uzbekistan segmented information for the nine months ended September 30 ^{1,2,3}	Natural Gas	Condensate	Total
Natural gas sales (\$000's)	41,404	3,898	45,302
Royalties (\$000's)	(7,604)	(771)	(8,375)
Production costs (\$000's)	(17,076)	(324)	(17,400)
Transportation and selling (\$000's)	(1,472)	(19)	(1,491)
Operating netback (\$000's) ¹	15,252	2,784	18,036

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- 1 Operating netback is a non-GAAP measure and is a term with no standardized meaning as prescribed by GAAP and may not be comparable with similar measures presented by other issuers. See "Non-GAAP Financial Measures" in this MD&A. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.
- 2 Amounts and per unit measures are only presented for the Uzbekistan segment.
- 3 Reconciliation to the respective financial statement amount for each netback component for the Uzbekistan segment.

Sales

For the three months ended September 30	2024	2023	Change
<u>Natural gas (\$000's)</u>			
Uzbekistan	17,419	-	17,419
Türkiye	72	151	(79)
	17,491	151	17,340
<u>Condensate (\$000's)</u>			
Uzbekistan	1,717	-	1,717
Türkiye	-	18	(18)
	1,717	18	1,699
For the nine months ended September 30			
<u>Natural gas (\$000's)</u>			
Uzbekistan	41,404	-	41,404
Türkiye	342	562	(220)
	41,746	562	41,184
<u>Condensate (\$000's)</u>			
Uzbekistan	3,898	-	3,898
Türkiye	-	30	(30)
	3,898	30	3,868

Natural gas sales in Uzbekistan amounted to \$17.42 million on 5,010,202 Mcf or \$3.48 per Mcf for the three months ended September 30, 2024 and \$41.40 million on 11,893,354 Mcf or \$3.48 per Mcf for the period from March 1, 2024 to September 30, 2024. Condensate sales were \$1.72 million on 21,756 barrels or \$78.92 per barrel for the three months ended September 30, 2024 and \$3.89 million on 49,721 barrels or \$78.40 per barrel for the period from March 1, 2024 to September 30, 2024.

Natural gas sales in Türkiye decreased to \$0.07 million on 4,950 Mcf for the three months ended September 30, 2024 from \$0.15 million on 4,826 Mcf in the same period in 2023, and decreased to \$0.34 million on 24,028 Mcf for the nine months ended September 30, 2024 from \$0.56 million on 28,223 Mcf in the same period in 2023, due mainly to the lower natural gas volumes and realized sales prices in 2024. Excluding the respective inflation adjustment impact on gas sales for each period, realized gas prices decreased to \$12.79 per Mcf for the three months ended September 30, 2024 from \$12.85 per Mcf in the same period in 2023, and decreased to \$13.42 per Mcf for the nine months ended September 30, 2024 from \$20.98 per Mcf in the same period in 2023. There were no condensate sales in Türkiye for the three and nine months ended September 30, 2024 compared to \$0.02 million and \$0.03 million, respectively, for the same periods in 2023.

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Marketing

In Uzbekistan, natural gas is collected by gathering lines into two in-field facilities for initial processing to remove water and condensate and then transported by pipeline to a nearby third-party facility for further processing and onward transport by pipeline to the designated delivery point. Natural gas sales are domestic sales at local market prices. A portion of the associated condensate is separated from the natural gas at the two in-field facilities and the remainder is separated and processed at the third-party facility. Condensate is sold to the buyer directly at each of the three facilities and the buyer is responsible for all onward transportation costs. Condensate sales prices are based upon Brent Crude less a discount for processing, transportation and marketing.

In Türkiye, natural gas sales are domestic sales via pipeline at Turkish Lira denominated prices published monthly by the state-owned pipeline transportation company BOTAS Petroleum Pipeline Corporation ("BOTAS"). The benchmark for Condor's gas sales is BOTAS Level 2 wholesale tariffs less a marketing differential. Natural gas from the neighbouring Destan gas field is produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and is marketed along with Poyraz Ridge gas production which is directly tied into the gas plant. Associated condensate is compressed and trucked to a nearby facility for blending, storage and onward sales at prices based on the nearest accessible global free market and determined by a formula provided for under the Petroleum Market Law and published monthly in Turkish Lira by the Turkish Petroleum Corporation, the Turkish national oil company.

Royalties

Royalties and production entitlements in Uzbekistan were \$3.55 million for the three months ended September 30, 2024 and \$8.38 million for the period from March 1, 2024 to September 30, 2024. The Company is subject to a total royalty and production entitlement rate of 20% on the natural gas and condensate produced based on realized sales prices less certain adjustments for processing and transportation costs.

In Türkiye, the Company is subject to a 12.5% royalty rate on natural gas and condensate sales. Royalties in Türkiye were \$0.01 million for the three months ended September 30, 2024 compared to \$0.01 million for the same period in 2023 and decreased to \$0.04 million for the nine months ended September 30, 2024 from \$0.08 million for the same period in 2023 due primarily to lower natural gas production and sales prices in 2024.

Production costs

Production costs to produce natural gas in Uzbekistan were \$7.39 million or \$1.48 per Mcf for the three months ended September 30, 2024 and \$17.08 million or \$1.44 per Mcf for the period from March 1, 2024 to September 30, 2024. Production costs to produce condensate in Uzbekistan were \$0.15 million or \$6.71 per boe for the three months ended September 30, 2024 and \$0.32 million or \$6.52 per boe for the period from March 1, 2024 to September 30, 2024. Production costs in Uzbekistan comprise mainly facility, processing, compression, personnel and maintenance costs.

Total production costs in Türkiye were consistent at \$0.16 million for the three months ended September 30, 2024 compared to the same period in 2023 and decreased to \$0.50 million for the nine months ended September 30, 2024 from \$0.66 million for the same period in 2023, primarily due to lower sales volumes. Production costs are primarily fixed in nature and are comprised mainly of field personnel, fuel, utilities, chemicals, water disposal, safety and maintenance costs.

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Transportation and selling

Transportation and selling costs in Uzbekistan for natural gas were \$0.63 million or \$0.12 per Mcf for the three months ended September 30, 2024 and \$1.47 million or \$0.12 per Mcf for the period from March 1, 2024 to September 30, 2024. Transportation and selling costs for condensate were \$0.01 million or \$0.41 per boe for the three months ended September 30, 2024 and \$0.02 million or \$0.38 per boe for the period from March 1, 2024 to September 30, 2024. These costs are comprised of pipeline costs to deliver natural gas and associated condensate to the processing facilities and to deliver natural gas onwards to the designated delivery point.

Transportation and selling costs in Türkiye on natural gas sales increased to \$0.05 million or \$9.24 per Mcf for the three months ended September 30, 2024 from less than \$0.01 million or \$0.83 per Mcf for the same period in 2023 and increased to \$0.18 million or \$7.64 per Mcf for the nine months ended September 30, 2024 from \$0.01 million or \$0.50 per Mcf for the same period in 2023. Transportation and selling expenses on natural gas sales are comprised of pipeline transmission fees and compressed natural gas trucking costs on Destan sales and on condensate sales are comprised of trucking, blending, storage and loading costs. These costs were higher in 2024 due mainly to the higher proportion of sales from Destan which requires additional trucking costs.

General and administrative

General and administrative expenses, comprised mainly of personnel, professional services, office, and travel costs, increased to \$1.81 million for the three months ended September 30, 2024 from \$1.21 million for the same period in 2023 and increased to \$5.30 million for the nine months ended September 30, 2024 from \$3.48 million for the same period in 2023 primarily due to higher personnel, consultants, professional services, travel and office costs in 2024 related to the Uzbekistan project and higher costs in 2024 related to other new business initiatives.

Depletion and depreciation

Depletion and depreciation on property, plant and equipment increased to \$0.67 million for the three months ended September 30, 2024 from \$0.09 million for the same period in 2023 and increased to \$1.40 million for the nine months ended September 30, 2024 from \$0.83 million for the same period in 2023 due to depletion in Uzbekistan, partially offset from the Poyraz Ridge CGU being fully impaired at December 31, 2023. Changes in decommissioning costs related to oil and gas properties with no net book value in Türkiye and Kazakhstan are also recognized as depletion and depreciation expense and amounted to \$0.40 million and \$0.85 million for the three and nine months ended September 30, 2024, respectively (2023 – \$0.08 million and \$0.48 million, respectively).

Stock based compensation

Stock based compensation expenses increased to \$0.16 million for the three months ended September 30, 2024 from \$0.06 million for the same period in 2023 and increased to \$0.50 million for the nine months ended September 30, 2024 from \$0.24 million for the same period in 2023. The expense is recognized on a graded basis and fluctuates based on the fair value of stock options determined at the date of grant, timing of the grants, vesting periods and estimated forfeiture rates.

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Finance income

Finance income increased to \$0.94 million for the three months ended September 30, 2024 from \$0.08 million for the same period in 2023 and increased to \$2.24 million for the nine months ended September 30, 2024 from \$0.13 million for the same period in 2023 primarily due to non-cash finance income recorded from the PEC Project and interest income earned on cash and cash equivalents and other long-term assets. In accordance with the terms of the PEC Project, certain of the Company's payment obligations are deferred. The total undiscounted cash outflows required to settle these obligations are \$3.84 million and are due between March 2029 and September 2029. These liabilities are recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16%. The difference between fair value and the undiscounted payment obligations is recorded as non-cash finance income.

Finance expense

Finance expense increased to \$0.83 million for the three months ended September 30, 2024 from \$0.34 million for the same period in 2023 and increased to \$2.05 million for the nine months ended September 30, 2024 from \$0.42 million for the same period in 2023, primarily due to the effective interest expense on the Loan Facility and convertible debentures totalling \$0.60 million and \$1.59 million for the three and nine months ended September 30, 2024, respectively (2023 – \$0.32 million in both periods).

Foreign currency exchange gains and losses

The foreign exchange gain for the three months ended September 30, 2024 amounted to \$0.14 million compared to a loss of \$0.02 million for the same period in 2023 and a loss of \$0.03 million for the nine months ended September 30, 2024 compared to a gain of \$0.04 million for the same period in 2023 due primarily to the USD denominated Loan Facility and convertible debentures partially offset by USD cash and cash equivalents held by the Company. The Company is exposed to significant foreign currency risk as the Company's natural gas and condensate sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies, a significant portion of the Company's cash and cash equivalents are held in USD and the Company's Loan Facility and convertible debentures are denominated in USD. Natural gas and condensate sales in Uzbekistan are domestic sales at local market prices, and natural gas sales in Türkiye are denominated in TRL.

The Company had no forward exchange rate contracts in place at or during the three and nine months ended September 30, 2024 and 2023.

Loss on unrealized embedded derivative:

The conversion feature in the convertible debentures is accounted for as an embedded derivative liability and its fair value will be estimated at each reporting period date with changes in fair value recognized in earnings as an unrealized gain or loss. The Company recognized a loss on unrealized embedded derivative of \$0.29 million and \$0.86 million for the three and nine months ended September 30, 2024, respectively (2023 – \$Nil for both periods).

Other expense

Other expense increased in the three and nine months ended September 30, 2024 to \$0.05 and \$1.92 million, respectively (2023 – \$Nil for both periods) related to the termination and settlement agreement as described in Note 9 to the Financial Statements.

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Net monetary gain

The Company recognized a net monetary gain of approximately \$0.01 million for both the three and nine months ended September 30, 2024 (2023 – gain of \$0.87 million and \$1.02 million, respectively) due to an increase in the Turkish inflation rate of approximately 36% (2023 – 50%) since January 1, 2024.

Income taxes

The Company recognized current income taxes in Uzbekistan of \$1.37 million and \$3.01 million for the three and nine months ended September 30, 2024, respectively, where the tax rate is 15% of estimated taxable income. The Company has not recognized the tax benefits associated with the operating activities of other business segments.

Non-controlling interest ("NCI"):

A third-party NCI shareholder holds 49% of the shares of Condor Natural Gas B.V. ("CNG"), the sole shareholder of the Company's subsidiary which is conducting the production enhancement services under the PEC Project in Uzbekistan. The NCI is allocated 49% of the comprehensive income of CNG commencing March 1, 2024.

A third-party NCI shareholder holds 10% of the shares of Condor LNG Ltd. ("CLNG"), the sole shareholder of two Kazakhstan subsidiaries which are developing liquefied natural gas facilities in Kazakhstan. The NCI is allocated 10% of the comprehensive income (loss) of CLNG commencing April 24, 2024.

NON-GAAP FINANCIAL MEASURES

The Company refers to "operating netback" in this MD&A, a term with no standardized meaning as prescribed by GAAP and which may not be comparable with similar measures presented by other issuers. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. Operating netback is calculated as sales less royalties, production costs and transportation and selling on a dollar basis and divided by the sales volume for the period on a per Mcf basis for natural gas and per boe basis for condensate. The reconciliation of this non-GAAP measure is presented in the "Operating Netback" section of this MD&A. This non-GAAP measure is commonly used in the oil and gas industry to assist in measuring operating performance against prior periods on a comparable basis and has been presented to provide an additional measure to analyze the Company's sales on a per unit basis and the Company's ability to generate funds.

LIQUIDITY AND CAPITAL RESOURCES

The Company has commenced production enhancement services under the PEC Project in Uzbekistan and is responsible for all capital expenditures and operating costs of the project. In late June 2024, the Company initiated a multi-well workover campaign for the eight fields which includes installing proven artificial lift equipment to increase gas flow rates and well uptimes, perforating newly identified pay intervals, performing downhole stimulation treatments, and isolating identified water intervals. The Company also plans to conduct infill drilling and well deepening programs commencing in 2025.

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The Lithium License in Kazakhstan contains contractual work commitments of \$0.2 million per annum during the first three years and \$0.3 million per annum during the final three years of the six-year term. The contractual work commitments may be amended from time to time in accordance with planned exploration activities proposed by the Company and approved by the Government of Kazakhstan and additional contractual work commitment amounts could be significant.

The Company has an LNG initiative in Kazakhstan and is seeking to produce and deliver LNG to displace diesel fuel usage in Central Asia.

These initiatives will require the Company to use a combination of cash on hand, increase cashflows from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. There is no assurance that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

At September 30, 2024, the Company had a deficit of \$0.59 million after taking into account the deficit reduction of \$219.4 million on June 20, 2024. For the three and nine months ended September 30, 2024, the Company reported a net income of \$3.16 million and \$4.81 million, respectively (2023: net loss of \$0.85 million and \$3.78 million, respectively) and cash from (used in) operating activities of \$5.06 million and \$4.83 million, respectively (2023 – (\$1.66) million and (\$4.31) million, respectively). The Company's working capital balance has increased from \$3.62 million as at December 31, 2023 to \$7.75 million as at September 30, 2024 primarily as a result of commencing production enhancement operations under the PEC Project in Uzbekistan on March 1, 2024.

COMMITMENTS AND CONTINGENT LIABILITIES

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Türkiye. The licenses had an expiry date of June 8, 2023 and, provided that the Company has performed its obligations under the respective work programs and future production is expected, each license may be extended until 2035 upon approval of the competent authority in Türkiye (the "Authority"). The Company has performed its obligations under the work programs and applied for an extension to each license in December 2022. Under Turkish law, an operating license only expires once the Authority's decision has been published in the Official Turkish Journal. On October 24, 2024, the Authority notified the Company of its decision not to approve the license extensions without providing any reasoning or justification. To date, the Authority's decision has not been published in the Official Turkish Journal. On November 12, 2024, the Company filed legal action seeking interim relief from the Turkish court to suspend the execution of the Authority's decision and ultimately to cancel the decision. Should the court grant interim relief, the Authority's decision would not be published in the Official Turkish Journal and the licenses would not be deemed to have expired. The Turkish court will also rule if the Authority's decision not to extend the licenses was justified based on the applicable legislation. If the court rules that the Authority's decision not to extend the licenses was unfounded, the Authority will grant the license extensions according to the court's ruling. During the interim period between the expiry date of the licenses and court's ruling on interim relief, the Company can carry on production, sales and operations and pay accrued royalties. In case the court grants interim relief, the execution of the Authority's decision will be suspended until the court's final ruling and the Company can continue production, sales and operations and pay accrued royalties.

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The Lithium License in Kazakhstan contains contractual work commitments of \$0.2 million per annum during the first three years and \$0.3 million per annum during the final three years of the six-year term. The contractual work commitments may be amended from time to time in accordance with planned exploration activities proposed by the Company and approved by the Government of Kazakhstan and additional contractual work commitment amounts could be significant.

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk arises from the possibility that a counterparty to which the Company provides goods or services is unable or unwilling to fulfil their contractual obligations. The maximum exposure to credit risk at period end is as follows:

Carrying amounts as at (\$ 000's)	September 30, 2024	December 31, 2023
Cash and cash equivalents	12,528	5,043
Trade and other receivables	22,887	21
Other long-term assets	268	269
	35,683	5,333

The Company limits its exposure to credit risk on cash and cash equivalents and bank deposits by depositing and investing in banks with investment grade credit ratings.

Credit risk on trade receivables is related mainly to natural gas marketers, and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. During the nine months ended September 30, 2024, sales of natural gas were sold to one customer in each of Uzbekistan and Türkiye (2023 – one customer in Türkiye), and sales of condensate were sold to one customer in Uzbekistan and therefore all sales transactions are subject to concentration risk. As at September 30, 2024, these three customers represented 99% of outstanding trade receivables (December 31, 2023: one customer – 79%).

Credit risk is mitigated by management's policies and practices. Natural gas and condensate produced in Uzbekistan are supplied to the domestic market through sales agreements with national companies of Uzbekistan. For natural gas sales in Türkiye, the Company holds a bank guarantee provided by the buyer of its natural gas amounting to two month's estimated gas sales as security on gas sales receivables.

Liquidity risk and capital management

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations and commitments and repaying liabilities as they fall due. The Company's objective is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due. The Company requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Uzbekistan, Kazakhstan and Türkiye. The Company looks to manage liquidity by adjusting its capital structure by issuing new equity or debt, disposing of assets and making adjustments to its capital expenditure program to the extent the capital expenditures are not committed. Managing the Company's obligations will require using a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. While the Company believes it has sufficient resources to manage these obligations for the next year, there is no assurance over the longer term that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

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At September 30, 2024, the Company had a deficit of \$0.59 million after taking into account the deficit reduction of \$219.4 million on June 20, 2024. For the three and nine months ended September 30, 2024, the Company reported a net income of \$3.16 million and \$4.81 million, respectively (2023: net loss of \$0.85 million and \$3.78 million, respectively) and cash from (used in) operating activities of \$5.06 million and \$4.83 million, respectively (2023 – (\$1.66) million and (\$4.31) million, respectively). The Company's working capital balance has increased from \$3.62 million as at December 31, 2023 to \$7.75 million as at September 30, 2024 primarily as a result of commencing production enhancement operations under the PEC Project in Uzbekistan on March 1, 2024.

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

The cashflows presented in the tables below are the contractual undiscounted cashflows and accordingly certain amounts differ from the amounts included in the consolidated statements of financial position. The Company's undiscounted contractual obligations are as follows:

(\$ 000's)	Less than 1 year	Greater than 1 year	Total
<u>As at September 30, 2024</u>			
Accounts payable and accrued liabilities	17,682	-	17,682
Lease liabilities	171	451	622
Loan facility	2,057	6,047	8,104
Convertible debentures	16	6,439	6,455
Other long-term liabilities	675	5,453	6,128
<u>As at December 31, 2023</u>			
Accounts payable and accrued liabilities	680	-	680
Loan facility	607	7,333	7,940
Lease liabilities	42	88	130

Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices and their impact on the future performance of the business. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices. Derivative instruments may be used to reduce exposure to these risks.

Foreign currency exchange risk

The Company is exposed to significant foreign currency risk as the Company's natural gas and condensate sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies, a significant portion of the Company's cash and cash equivalents are held in USD and the Company's Loan Facility and convertible debentures are denominated in USD. Natural gas and condensate sales in Uzbekistan are domestic sales at local market prices and natural gas sales in Turkiye are denominated in TRL. In general, an increase in the value of the Canadian dollar as compared to the USD or the TRL will reduce the prices received by the Company for its natural gas and condensate sales. The Company had no forward exchange rate contracts in place during the nine months ended September 30, 2024 or the year ended December 31, 2023.

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During the nine months ended September 30, 2024, the CAD depreciated from 1.32 per 1.00 USD to 1.35, the KZT depreciated from 454.6 per 1.00 USD to 479.2, and TRL depreciated from 29.4 per 1.00 USD to 34.1, which led to a foreign exchange loss of \$0.03 million (2023 – gain of \$0.04 million) related mainly to the USD denominated Loan Facility and convertible debentures, partially offset by USD cash and cash equivalents held by the Company.

During the nine months ended September 30, 2024, the KZT depreciated from 343.1 per 1.00 CAD to 355.6, and the TRL depreciated from 22.2 per 1.00 CAD to 24.0, resulting in a \$0.02 million translation loss adjustment through equity (2023 – \$0.5 million).

Interest rate risk

Interest rate risk is the risk that the value of the financial instrument or future cashflows associated with the financial instrument will fluctuate as a result of changes in market interest rates. The Company's Loan Facility and convertible debentures both bear fixed-rate interest at 9.0% per annum to be paid quarterly in arrears and their value is exposed to interest rate risk from changes in market interest rates. The Company had no risk management contracts that would be affected by interest rates in place during the nine months ended September 30, 2024 or the year ended December 31, 2023.

Commodity price risk

Commodity price risk is the risk that the fair value of future cashflows will fluctuate as a result of changes in commodity prices. The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for oil and natural gas are impacted by economic events and factors which are beyond the Company's control. Fluctuations in petroleum and natural gas prices may have a significant effect on the Company's results of operations and cashflows from operating activities, and may also affect the value of the oil and gas properties, the level of spending for exploration and development and the Company's ability to raise capital. The Company had no derivative commodity price contracts in place during the nine months ended September 30, 2024 or the year ended December 31, 2023.

Natural gas sales in Uzbekistan are domestic sales at local market prices. Condensate sales prices in Uzbekistan are based on Brent less a discount for processing, transportation and marketing.

Natural gas sales in Türkiye are domestic sales via pipeline at prices published monthly by the state owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales in Türkiye is BOTAS Level 2 wholesale tariffs less a marketing differential.

HEALTH RISK MANAGEMENT

Condor has offices, activities and operations in various areas in Canada, Uzbekistan, Türkiye and Kazakhstan. Company personnel are stationed and work and travel to and from these locations as required. Such personnel are exposed from time to time to concentrated groups of people at various locations both within and outside the Company's direct control, for varying lengths of time. Any personnel or visitors that become infected with a serious illness that has the potential to spread rapidly throughout the organization could place the personnel and the operations of the Company at risk.

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Although the Company takes precautions and follows industrial hygiene and occupational health guidelines, there can be no assurance that an infectious illnesses will not negatively impact Condor's personnel or its operations and may in the future result in fluctuating demand for oil and gas, volatile oil and gas prices and the implementation of various travel restrictions which constrain or prohibit international travel and limit or forbid movement within the individual countries of operation.

Condor's future operations could be materially impacted by these factors, as well as related emergency measures including, but not limited to: travel restrictions including shelter in place orders, curfews and lockdowns which may impact the timing and ability of Company personnel, suppliers and contractors to travel internationally or domestically and to access or deliver services, goods and equipment to the fields of operation; the risk of shutting-in or reducing production due to travel restrictions, Government orders, crew illnesses and the availability of goods, works and essential services for the fields of operations; the potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the timing and ability to meet financial and other reporting deadlines; potential decreased interest in and ability to conclude farm-in transactions, potential decreased ability to raise additional capital to fund current operations and new business projects; and the inherent increased risk of information technology failures and cyber-attacks.

OUTSTANDING SHARE DATA

Common shares

As at September 30, 2024 there were 57,189,201 common shares of the Company outstanding. As at November 12, 2024 there were 57,258,535 common shares of the Company outstanding.

Convertible securities

As at September 30, 2024 the Company has outstanding 5,282,900 stock options with a weighted average exercise price of \$0.71, and as at November 12, 2024 the Company has outstanding 5,213,566 stock options with a weighted average exercise price of \$0.71.

As at September 30, 2024 and the date of this MD&A, the Company has outstanding 2,533,334 common share purchase warrants each at an exercise price of \$0.48 per common share and exercisable into one common share of Condor, and convertible debentures convertible into 2,950,336 common shares at a conversion price of US\$1.61676 per common share.

Reduction of share capital

On June 20, 2024, Condor's shareholders resolved by special resolution that the Company's share capital be reduced, without payment of or reduction to the Company's stated capital or paid-up capital, by the amount of the deficit as of December 31, 2023 of \$219.4 million.

Dividends

The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at September 30, 2024.

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QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to September 30, 2024:

For the quarter ended (000's except per share amounts)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Sales	19,208	19,063	7,373	51	169	12	411	1,129
Net income (loss) ⁽¹⁾	3,157	1,563	91	(7,615)	(852)	(2,087)	(838)	(943)
Net income (loss) per share ⁽²⁾	0.01	0.00	(0.02)	(0.13)	(0.02)	(0.04)	(0.01)	(0.02)

- 1 The net income (loss) in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs, exploration and evaluation (“E&E”) assets impairment, depletion and depreciation, PP&E impairment expense, net monetary gain (loss) from hyper-inflation accounting in Türkiye, finance expenses from the Loan Facility and convertible debentures, loss on unrealized embedded derivative, finance income, other expense and foreign exchange gains and losses in the respective periods. The net income (loss) amounts include specific significant period items of: \$3.3 million E&E impairment and \$1.2 million impairment expense in Q4 2023; and significant changes in revenues and expenses from Q1 2024 onwards related to the Company commencing production enhancement activities under the PEC Project in Uzbekistan on March 1, 2024 as described in the relevant sections above in this MD&A.
- 2 Per share amounts are basic and diluted and attributable to Common shareholders. The Company treats the common shares as either dilutive or anti-dilutive based on net income (loss). If the common shares are anti-dilutive at this level, they are treated as anti-dilutive for all other per share calculations.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 volumes of recoverable reserves and resources, forward natural gas and condensate prices, future operating, royalty, and capital costs, production profiles, discount rates, and consequently fair values of properties. A downward revision in the reserve 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;

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- Depletion: estimates include the amount of reserve volumes and future development capital. A downward revision in the reserve 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 plus 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;
- E&E expenditures: costs associated with acquiring oil and gas licenses and exploratory drilling are accumulated as E&E assets pending determination of technical feasibility and commercial viability. Establishment of technical feasibility and commercial viability is subject to judgment and involves management's review of project economics, resource quantities, expected production techniques, production costs and required capital expenditures to develop and extract the underlying resources. Management uses the establishment of commercial reserves within the exploration area as the basis for determining technical feasibility and commercial viability. Upon determination of commercial reserves, E&E assets attributable to those reserves are tested for impairment and reclassified from E&E assets to a separate category within property, plant and equipment referred to as oil and gas properties;
- Identification of Impairment Indicators - E&E assets: the Company assesses its E&E assets to determine whether any indication of impairment exists at the end of each reporting period. Significant judgment is required in determining whether indicators of impairment exist, including factors and considerations such as the remaining period for which the Company has the right to explore, whether expenditures on further exploration and evaluation of properties are budgeted, whether commercially viable quantities of mineral resources have been discovered or whether data exists to suggest the carrying amount is unlikely to be recovered;
- Decommissioning provisions: estimates include the amount and expected timing of asset retirements, discount and inflation rates and future cashflows. 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 (loss) as a result of changes in accretion and depletion expense;
- Convertible debentures: The conversion feature associated with the US dollar denominated convertible debentures has been identified as a derivative financial liability. Derivative financial liabilities are recorded upon recognition and subsequently at each period-end date at fair value, with changes in fair value being recognized in earnings. The fair value estimate involves assumptions regarding the probability a forced conversion will occur, the expected life of the Debentures, dividend yields, risk-free interest rates, and volatility of the Company's common shares. The fair value is measured using the Black-Scholes option pricing model, and using an alternate pricing model could produce different results;
- Stock based compensation: estimates include determining appropriate share price volatility, expected lives, forfeiture rates and risk-free rates. The expense is measured using the Black-Scholes option pricing model, and using an alternate pricing model could produce different results;

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- Going concern: estimates include the ability to fund operations by generating positive cashflows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements;
- Income taxes: tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. 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 recorded; and
- As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cashflows and the timing thereof and other factors which may or may not be within the control of the Company (see Liquidity and Capital Resources).

ADOPTED ACCOUNTING POLICIES

Non-controlling interests ("NCI"): Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Company recognizes directly in equity any difference between the fair value of the consideration received or paid, and the proportionate share of the subsidiary's assets, liabilities and other comprehensive income attributed to NCI at the date of the transaction.

Financial instruments: The Company accounts for its physical delivery sales contracts as executory contracts. These contracts are entered into and held for the purpose of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements. As such, these contracts are not considered to be derivative financial instruments and are not recorded at fair value on the consolidated statements of financial position. Settlements on these physical delivery sales contracts are recognized in revenue in the period the product is delivered to the sales point.

Amendments to IAS 1 "Presentation of Financial Statements": On January 1, 2024, the Company adopted the amendments introduced to IAS 1 in relation to the classification of liabilities with covenants as current or non-current in the Statements of Financial Position. There was no material impact to Condor's consolidated financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer and Vice President, Finance and Chief Financial Officer 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 Accounting Standards.

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During the three months ended September 30, 2024, 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.

BUSINESS RISKS

In the normal course of business, the Company is exposed to a variety of risks and uncertainties. In addition to the risks associated with liquidity and capital resources, critical accounting estimates, financial instruments, credit risk and market risk described in this MD&A, the Company is exposed to various operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect future results. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, the ability to attract and retain employees and contractors on a cost-effective basis, commodity and marketing risk and seasonality. The Company is exposed to considerable risks and uncertainties including, but not limited to:

- finding natural gas, condensate and lithium reserves on an economical basis;
- uncertainties related to estimating the Company's reserves;
- financial risks including access to debt or equity markets which the Company is likely dependent upon in order to fully develop the current properties;
- technical problems which could lead to unsuccessful wells, well blowouts and environmental damage;
- obtaining timely regulatory approvals;
- third party related operational risks including the ability to obtain access to third party processing facilities, access to pipeline, railway and other transportation infrastructure;
- obtaining qualified personnel, parts, equipment and service providers in a timely and cost efficient manner;
- fluctuations in commodity prices, interest rates and foreign currency exchange rates;
- adverse factors including climate, geographical and weather conditions, natural disasters and labor disputes;
- timing of future debt and other obligations;
- potential for prior year tax re-assessments not aligned with previously filled and assessed periods;
- regulatory legislation and policies, including the fulfillment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- changes to taxation policies, laws and interpretations thereof;
- political risks inherent with international activities and doing business in foreign jurisdictions;

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- medical and health risks inherent with international activities and doing business in foreign countries including travel bans or travel restrictions;
- obtaining comprehensive and appropriate insurance coverage at reasonable rates;
- obtaining approval for extensions to development periods;
- obtaining approval for extensions to exploration periods, and, upon commercial discovery, negotiating and signing development contracts;
- negative public or community response to natural gas, condensate and lithium exploration, development and production and related environmental impacts could adversely affect Condor's business and the price of its securities; and
- information technology and system risks including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology.

Please see the Company's Annual Information Form, filed on SEDAR+ at www.sedarplus.ca for further discussion on these risks.

BARRELS OF OIL EQUIVALENT ADVISORY

References herein to barrels of oil equivalent ("boe") are derived by converting gas to oil in the ratio of six thousand standard 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 to 1 barrel may be misleading as an indication of value, particularly if used in isolation.

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 "expect", "plan", "estimate", "may", "will", "should", "could", "would", "increase", "introduce", "provide", "generate", "envision", "apply", "include", "conduct", "prepare", "require", "continue", "reduce", or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, information concerning: the timing and ability to execute the Company's growth and sustainability strategies including the financing for these growth and sustainability strategies; the timing and ability to operate and increase production and overall recovery rates at eight gas fields in Uzbekistan; the timing and ability to increase the number of in-field flowline water separation systems; the timing and ability to increase domestic gas supply and contribute to carbon emissions reductions; the timing and ability to conduct production enhancement services, produce natural gas and realize domestic gas sales proceeds; the timing and ability to increase production by implementing artificial lift, workover and drilling programs; the timing and ability to investigate deeper horizons; the timing and ability to reprocess 3-D seismic data and conduct a 3-D seismic program; the timing and ability to collect reservoir and production data; the timing and ability to evaluate existing pipeline and facilities infrastructure for optimization of water handling, field compression and the in-field gathering network; the timing and ability of the Company to conduct infill drilling and well deepening programs in 2025; the timing and ability to provide production guidance; the timing and ability to use the two natural gas allocations from the Government of Kazakhstan as feed gas for the Company's modular LNG production facilities; the timing and ability to liquefy the gas to produce LNG; the timing and ability to fuel LNG powered rail locomotives and large

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mine haul trucks; the timing and ability to contribute to carbon emissions reductions by displacing diesel fuel usage; the timing and ability to conduct detailed engineering; the timing and ability to confirm LNG volume commitments with end-users; the Company's expectations in respect of the future uses of LNG; the timing and ability to obtain funding and proceed with construction of LNG production facilities; the sufficiency of the second natural gas allocation to power mainline rail locomotives; the potential for the Lithium License area to contain commercial deposits; future lithium testing results; the material untapped hydrocarbon potential in the carbonate formations of the Company's license area; the timing and ability to fund, permit and complete planned activities including drilling two additional wells and conduct preliminary engineering for the production facilities; the timing and ability to optimize the planned method for direct lithium extraction; the timing and ability to generate a report in compliance with *National Instrument 43-101 Standards of Disclosure for Mineral Projects*; the timing and ability to produce the lithium by utilizing closed-looped DLE production technologies; the timing and ability to have a much smaller environmental footprint than existing lithium production operations; the timing and ability to commence exploration mining activities to evaluate the potential for commercial lithium brine deposits; projections and timing with respect to natural gas and condensate production; expected markets, prices and costs for future gas and condensate sales; the timing and ability to obtain various approvals and conduct the Company's planned exploration and development activities; the timing and ability to access natural gas pipelines; the timing and ability to access domestic and export sales markets; anticipated capital expenditures; forecasted capital and operating budgets and cashflows; anticipated working capital; sources and availability of financing for potential budgeting shortfalls; the timing and ability to obtain future funding on favourable terms, if at all; general business strategies and objectives; the timing and ability to obtain exploration contract, production contract and operating license extensions; the potential for additional contractual work commitments; the ability to meet and fund the contractual work commitments; the satisfaction of the work commitments; the results of non-fulfilment of work commitments; projections relating to the adequacy of the Company's provision for taxes; the expected impacts of adopting amendments to IFRS accounting policies; and treatment under governmental regulatory regimes and tax laws.

This MD&A also includes forward-looking information regarding health risk management including, but not limited to: travel restrictions including shelter in place orders, curfews and lockdowns which may impact the timing and ability of Company personnel, suppliers and contractors to travel internationally, travel domestically and to access or deliver services, goods and equipment to the fields of operation; the risk of shutting in or reducing production due to travel restrictions, Government orders, crew illness, and the availability of goods, works and essential services for the fields of operations; decreases in the demand for oil and gas; decreases in natural gas, condensate and crude oil prices; potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies, availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the Company's financial condition, results of operations and cashflows; access to capital and borrowings to fund operations and new business projects; the timing and ability to meet financial and other reporting deadlines; and the inherent increased risk of information technology failures and cyber-attacks.

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 risks and uncertainties include, but are not limited to: regulatory changes; the timing of regulatory approvals; the risk that actual minimum work programs will exceed the initially

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estimated amounts; the results of exploration and development drilling and related activities; prior lithium testing results may not be indicative of future testing results or actual results; imprecision of reserves estimates and ultimate recovery of reserves; the effectiveness of lithium mining and production methods including DLE technology; historical production and testing rates may not be indicative of future production rates, capabilities or ultimate recovery; 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 marketing and transportation; competitive action by other companies; fluctuations in oil and natural gas prices; 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; 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 risk 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.sedarplus.ca).

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:

3-D	Three dimensional
M	Thousands
MM	Millions
Mcf	Thousands of standard cubic feet
Mcf/d	Thousands of standard cubic feet per day
bbl	Barrels of oil
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
bopd	Barrels of oil per day
CAD	Canadian dollars
KZT	Kazakhstan tenge
TRL	Turkish lira
USD	United States dollars
UZS	Uzbekistan soms
LNG	Liquefied natural gas
Türkiye	Republic of Türkiye
Kazakhstan	Republic of Kazakhstan
Uzbekistan	Republic of Uzbekistan