Condor Announces 2023 Year-End Results

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CALGARY, March 25, 2024 - Condor Energies Inc. ("Condor" or the "Company") (TSX:CDR), a Canadian based, internationally focused energy transition company with activities in the Republics of Uzbekistan, Türkiye and Kazakhstan is pleased to announce the release of its audited consolidated financial statements for the years ended December 31, 2023 and 2022, together with the related management's discussion and analysis. These documents will be made available under Condor's profile on SEDAR+ at www.sedarplus.ca and on the Condor website at www.condorenergies.ca. Readers are invited to review the latest corporate presentation available on the Condor website. All financial amounts in this news release are presented in Canadian dollars, unless otherwise stated.

Highlights

- The Company executed a production enhancement contract in January 2024 to increase gas volumes and overall recovery rates from eight conventional natural gas-condensate fields in Uzbekistan and the Company's operations commenced on March 1, 2024.
- The Company received a natural gas allocation in January 2024 in Kazakhstan to be used as feed gas for the Company's first modular liquefied natural gas ("LNG") production facility.
- In July 2023, Condor was awarded a contiguous 37,300-hectare lithium brine mining license in Kazakhstan for a six-year term.
- On March 22, 2024 the Company issued three-year term convertible debentures bearing 9.0% interest per annum and convertible into 2,950,336 common shares for gross proceeds of USD $4.8 million (CAD $6.5 million). While minimizing shareholder dilution, this funding amount also ensures the Company continues advancing its near-term capital programs prior to receiving Uzbekistan gas sales proceeds.
- The Company completed a USD $5.9 million (CAD $7.8 million) three-year term loan facility in July 2023 that bears interest at 9% per annum and is available for working capital requirements and general corporate purposes.

Production Enhancement Contract in Uzbekistan

In January 2024, the Company executed a production enhancement contract (the "PEC Project") with the Government of Uzbekistan to increase the production and overall recovery rates from an integrated cluster of eight conventional natural gas-condensate fields in the Country (the "Fields") and production operations commenced on March 1, 2024. The PEC Project will increase the country's domestic supply of natural gas while also contributing to carbon emission reductions.

Condor, through a local subsidiary, conducts production enhancement services under an agreement with Uzbekistan national company JSC Uzbekneftegaz. Produced natural gas is sold to the authorized state entity responsible for the purchase and sale of natural gas for use in the domestic market. Condor is responsible for all costs of the PEC Project, and in exchange for performing its services, the Company receives a percentage of net revenues realized from the PEC Project.

The Fields consist of stacked carbonate and clastic reservoirs that are geologically similar to those in the Western Canadian Sedimentary Basin. The Fields are experiencing high annual decline rates and low recovery factors which the Company intends to mitigate while also reducing carbon emissions by introducing proven modern technologies and operating techniques. Production increases are planned by implementing artificial lift, workover and infill drilling programs and investigating deeper horizons in the Fields that are productive in other regions of the country. Seismic reprocessing and a 3-D seismic program are also planned to support these efforts. Reservoir and production data is currently being collected and a reserve report compliant with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities will be completed thereafter. The Company is honoured to be selected as JSC Uzbekneftegaz's first Western strategic operating partner to contribute to increasing Uzbekistan's natural gas production rates and recoverable reserves.

LNG in Kazakhstan

In January 2024, the Company received a natural gas allocation from the Government of Kazakhstan to be used as feed gas for the Company's first modular LNG production facility. The feed gas will be liquefied to produce up to 350 Tonnes per day (210,000 gallons per day) of LNG, which can fuel approximately 125 rail locomotives or 215 large mine haul trucks (150 Tonne haul capacity) while contributing to carbon emissions reductions by displacing diesel fuel usage. Front-end engineering and design are complete and detailed engineering will commence in 2024. Discussions are underway with end-users to confirm LNG volume commitments and the Company is reviewing project funding alternatives before proceeding with construction.

The Company's LNG initiative fully supports the strategy of the Government of Kazakhstan to materially expand the Trans-Caspian International Transport Route ("TITR") which links a major Asian trade route with Europe. LNG will be used as a domestically produced low-carbon substitute to diesel fuel to address the increased usage of rail locomotives and transport trucks between China and the Caspian Sea and the marine vessels used to cross the Caspian Sea.

Lithium License in Kazakhstan

In July 2023, the Government of Kazakhstan awarded Condor its first lithium brine mining license and 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 North American and European lithium Direct Lithium Extraction ("DLE") technologies to generate lithium for EV batteries and other electricity storage applications.

A prior well drilled in the Lithium License for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of 67 milligrams per litre in Carboniferous-aged intervals as reported by the Ministry of Geology of the Republic of Kazakhstan. A 670-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. This well also penetrated the very top of the Devonian-aged sediments and reservoir sands were encountered but not tested.

The Company is not treating this historical estimate as current mineral resources or mineral reserves as additional drilling and testing is necessary, and a qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. It is uncertain if further drilling will result in the area being delineated as a mineral resource or reserve. The historical lithium concentration estimate should not be relied upon as indicative of the actual lithium concentration or the likelihood that the Company will be able to achieve similar production results.

Since the Lithium License is not associated with legacy oil wells nor any reported presence of hydrogen sulphide, a less complex and less capital intensive modular DLE technology is envisioned for the separation of lithium from the brine when compared with lithium extraction projects targeting oilfield brines. By applying proven DLE production technologies, the Company expects to have a much smaller environmental footprint than existing lithium production operations which use open-pit mining or brine evaporation ponds. The Company is also evaluating the construction of a renewable power generation project to achieve net-zero emissions for its lithium production.

The Company incurred $0.3 million in exploration and evaluation expenditures associated with the Lithium License during the year ended December 31, 2023. The Company's 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.

Convertible Debentures issued in March 2024

On March 22, 2024, the Company issued convertible debentures (the "Debentures") convertible into 2,950,336 common shares for gross proceeds of USD $4.8 million (CAD $6.5 million). Debt issue costs are estimated at CAD $0.2 million. The Debentures are unsecured, bear interest at 9.0% payable in cash semi-annually in arrears, mature in three years, and the principal amount is convertible at any time on or before the maturity date at a conversion price of USD $1.61676 per common share. The Debentures, and any shares issued upon conversion, cannot be sold or transferred without an exemption from applicable securities laws for four months and a day after March 22, 2024. After the initial four month and a day hold period, the Company can force conversion of the Debentures if the 20-day volume weighted average trading price of the Company's shares on the TSX exceeds CAD $3.00. The proceeds are available for general corporate purposes. The Debentures have no associated financial covenants.

Loan Facility issued in July 2023

In June and July of 2023, the Company completed a USD $5.9 million (CAD $7.8 million) loan facility that bears interest at 9.0% per annum (the "Loan Facility") and issued 2,600,002 common share purchase warrants each at an exercise price of $0.48 per common share and exercisable into one common share of Condor for a three-year term. The Loan Facility is unsecured, non-revolving, has a three-year term, requires quarterly interest payments in arrears and is being used for working capital requirements and general corporate purposes. The Loan Facility has no associated financial covenants.

Türkiye Operations

Gas production decreased 74% to 38,097 Mcf or an average of 104 Mcf per day for the year ended December 31, 2023 from 146,355 Mcf or an average of 401 Mcf per day in 2022. The Company also produced 9 barrels of condensate in 2023 compared to 474 barrels in 2022. The 2022 gas production average was much higher due to the successfully drilled Poyraz 7 infill well that began producing in June 2022 but has since naturally declined. The other Poyraz Ridge wells have been producing for more than six years with water production and natural pressure declines reducing gas production rates.

Condor is seeking a partner to fund development plans at the Yakamoz field located 2 km north of the existing Poyraz Ridge gas field and development of Yakamoz could include re-entering, casing and fully evaluating the Yak 1-ST well, drilling the Yak-2 well, and connecting Yakamoz by pipeline into the Poyraz Ridge production and sales facilities. There is no assurance that the Company will be successful with this initiative and the outcome of this matter is uncertain.

Based on the declining production performance, negative cash used in operating activities, and the Company's prevailing development plans, indicators of impairment were identified and an impairment test was performed as of December 31, 2023. As a result, the properties were fully written off as impairment expense during the fourth quarter of 2023 as the recoverable amount was deemed to be $Nil. There are no economic reserves related to the Poyraz Ridge or Destan properties as of December 31, 2023.

SELECTED FINANCIAL INFORMATION

As at, and for the years ended December 31,

(000's except for share amounts)	2023	2022	2021
Natural gas and condensate sales	643	3,607	883
Total revenue (sales less royalties)	552	3,119	768
Net loss	(11,392)	(3,064)	(11,327)
Net loss per share (basic and diluted)	(0.20)	(0.07)	(0.26)
Total assets	6,769	10,062	8,701
Non-current financial liabilities	5,504	99	-

FORWARD-LOOKING STATEMENTS
Certain statements in this news release 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 news release includes, but is not limited to, information concerning: the timing and ability to execute the Company's 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 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 be responsible for all capital and operating costs and receive a percentage of net revenues realized from the PEC Project while also contributing to carbon emission reductions; the timing and ability to mitigate the high annual decline rates and low recovery factors while also reducing carbon emissions by introducing proven modern technologies and operating techniques; the timing and ability to increase production by implementing artificial lift, workover and infill drilling programs; the timing and ability to investigate deeper horizons; the timing and ability to reprocesses seismic data and conduct a 3-D seismic program; the timing and ability to collect reservoir and production data; the timing and ability to complete a report in compliance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities; the timing and ability to use the gas allocation from the Government of Kazakhstan as feed gas for the Company's first modular LNG production facility; the timing and ability to liquefy the gas to produce LNG; the timing and ability to fuel rail locomotives and large 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; the potential for the Lithium License area to contain commercial deposits; future lithium testing results; 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 of the untested Devonian and Carboniferous sand intervals to provide additional lithium brine potential; 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 evaluate the construction of a renewable power generation project to achieve net-zero emissions; the timing and ability to conduct future drilling, workover and optimization activities; the timing and ability find a partner to fund development plans at the Yakamoz field which may include re-entering, casing and fully evaluating the Yakamoz structure; the timing of and ability to drill new wells and the ability of the new wells to become producing wells; the timing and ability to tie the Yakamoz field, if developed, into the Company's existing facilities; the timing and ability to pursue other initiatives and commercial opportunities; 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 cash flows; 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 news release 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 cash flows; 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 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 news release are made as of the date of this news release 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 news release is expressly qualified by this cautionary statement.

ABBREVIATIONS

The following is a summary of abbreviations used in this news release:

Mcf	Thousands of standard cubic feet
CAD	Canadian Dollars
USD	United States Dollars
LNG	Liquefied Natural Gas
DLE	Direct Lithium Extraction
EV	Electric Vehicle

The TSX does not accept responsibility for the adequacy or accuracy of this news release.

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