RESEARCH CAPITAL CORPORATION

CONDOR ENERGIES INC. (CDR-TSX)
UPDATE
Energy
April 1, 2026

K-46 Reaches TD with Strong Gas Shows, Testing Imminent

ACTION: Maintain SPEC. BUY and Target Price

This morning, Condor Energies ("CDR") announced that the K-46 horizontal well has reached total depth, including an 817-metre open-hole lateral, marking the third horizontal well drilled in its Uzbekistan campaign. The well targeted the same dolomitized upper reservoir interval identified in the K-45 vertical well, and initial drilling results are encouraging, with strong gas shows recorded across meaningful portions of the lateral. These observations are consistent with the K-45 well, which tested at 5.3 MMcf/d. The well is now being completed, including an acid wash of the lateral, with testing expected to be completed by mid-April 2026. A high flow rate could serve as a key near-term catalyst for the stock, as a strong test, followed by quick tie-in, would reinforce the scalability of the Kumli Northwest development and improve confidence in the remaining horizontal inventory.

Looking ahead, drilling activity is set to continue with the rig moving directly to the K-47 horizontal well from the same pad, targeting the same upper reservoir interval in an opposing direction (Figure 1). This follows the Company's broader twelve well drilling program, which has delivered encouraging results across both vertical and horizontal wells and continues to support production growth, with recent production levels exceeding 12,500 boe/d. Beyond the current pad, additional horizontal locations are planned targeting both the upper and deeper reservoir intervals, alongside a second drilling pad to the northeast.

As results continue to come in, we believe the ongoing program will further delineate the scale of the Kumli Northwest structure and support a multi-well development plan through 2026. We maintain our **SPECULATIVE BUY** rating and $5.15 target price.

IMPACT: Positive. Kumli Could Be Just the Start

Kumli is a large four-way structural closure with the potential to add meaningful gas reserves, and drilling results to date continue to be encouraging. Beyond Kumli, CDR has identified several previously unrecognized structures on its recently reprocessed 1,462 km² 3-D seismic dataset, including Kushimcha, Sharkiy Khatar, Chakkalu-North Syuzma, and Kumli Central. These prospects represent a significant inventory of follow-on opportunities and are expected to be developed using a combination of vertical and horizontal wells, similar to Kumli Northwest. The Company is entering a catalyst-rich period, with continued drilling results and production growth expected through 2026, followed by first LNG production in Q4/26 and a step-change in production from compression in early 2027. We believe this combination of near-term production growth and emerging LNG cash flow is not fully reflected in the current valuation and continue to see meaningful upside.

We maintain our **SPECULATIVE BUY** rating and $5.15 target price, based on a 4.5x multiple of our 2027 debt-adjusted cash flow forecast from Uzbekistan and a 50% risked NPV for the first LNG facility.

RATING & TARGET PRICE

Rating	SPECULATIVE BUY
Price	C$2.70
Price Target	C$5.15
Market Cap ($M)	C$185.00
Projected Return	90.7%

MARKET DATA

CDR-TSX	C$2.70
52 Week Range	C$2.80 - C$1.32
Basic Shares O/S (mm)	68.4
Fully Diluted O/S (mm)	76.7
Enterprise Value ($M)	C$200.0
Net Debt ($M)	C$15.6

UPCOMING EVENTS/CATALYSTS

- K-46hz flow test results (Mid -April 2026)

- LNG off-take agreements (tba)

- First LNG production (Q4/26)

ANALYST INFORMATION

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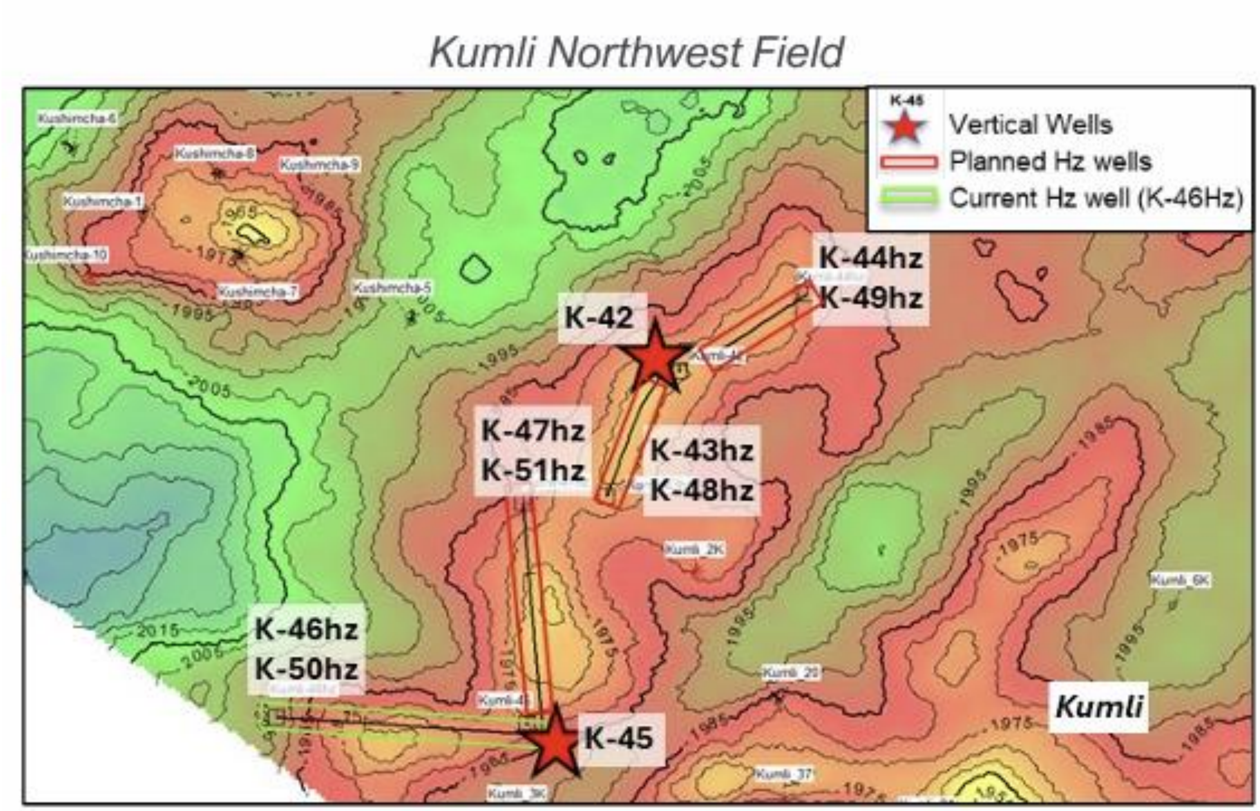
Figure 1. Kumli Northwest Field – K-46hz drilled and to Test, K47-hz next to spud



Source: Company presentation, Research Capital Corp.

Figure 2. Detail Summary and Forecast

Condor Energies Inc. — **CDR**

Share Data		Market Value		Stock Price		Target Price	
Basic Shares (mm):	68.4	Market Cap. ($ mm):	$ 184.6	Close:	$2.70	Target:	$5.15
Diluted Shares (mm):	77.4	Enterprise Value ($ mm):	$ 200.2	High:	$2.80	Return:	90.7%
Fully Diluted (mm):	82.6	Net Debt (W.C.) ($ mm):	$ 15.6	Low :	$1.32		

Production		2024A	2025A	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2026E	2027E
Oil & Liquids	bbl/d	253	283	325	335	340	345	337	351
Natural Gas	mmcf/d	61.1	61.2	70.0	80.0	85.0	95.0	82.5	97.0
Boe/d	6:1	10,442	10,515	11,992	13,668	14,507	16,178	14,132	16,562
Cash Flow & Earnings (C$)*		**2024A**	**2025A**	**Q1/26E**	**Q2/26E**	**Q3/26E**	**Q4/26E**	**2026E**	**2027E**
Cash Flow	**$ mm**	**10.3**	**16.9**	**6.1**	**7.7**	**8.7**	**10.3**	**32.8**	**43.8**
Cash Flow /FD Share	$/share	$0.18	$0.23	$0.08	$0.10	$0.12	$0.14	$0.44	$0.58
Earnings/FD Share	$/share	$0.06	$0.02	$0.01	$0.02	$0.03	$0.04	$0.10	$0.21
$/Barrel of Oil Equivalent (C$)		**2024A**	**2025A**	**Q1/26E**	**Q2/26E**	**Q3/26E**	**Q4/26E**	**2026E**	**2027E**
Revenue	$/boe	17.43	21.09	22.19	22.12	22.12	22.13	22.14	22.16
Royalties	$/boe	3.22	2.91	3.06	3.05	3.05	3.05	3.06	3.06
Operating Costs	$/boe	6.88	9.20	9.10	8.75	8.50	8.50	8.69	8.50
Transportation & Selling	$/boe	0.62	0.69	0.68	0.68	0.68	0.68	0.68	0.68
Operating Netback	$/boe	6.71	8.29	9.35	9.64	9.89	9.90	9.72	9.92
Cash Flow Netback	$/boe	2.70	4.43	5.69	6.19	6.50	6.93	6.38	7.26
Valuation Metrics (C$)		**2024A**	**2025A**	**Q1/26E**	**Q2/26E**	**Q3/26E**	**Q4/26E**	**2026E**	**2027E**
FD Cash Flow Multiple		14.8x	12.0x	8.2x	6.6x	5.8x	4.9x	6.2x	4.6x
EV/DACF Multiple		13.2x	9.6x	7.2x	6.0x	5.5x	4.8x	5.9x	5.2x
EV/Production	C$/mboe/d	19.2	19.0	16.7	14.6	13.8	12.4	14.2	12.1
Commodity Price		**2024A**	**2025A**	**Q1/26E**	**Q2/26E**	**Q3/26E**	**Q4/26E**	**2026E**	**2027E**
Brent Reference Price	US$/bbl	79.85	68.21	66.00	66.50	68.50	73.50	68.65	75.00
Gas Sale Price Uzbekistan	C$/mcf	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.55
Exchange Rate	US$ per C$	0.73	0.72	0.73	0.73	0.73	0.73	0.73	0.73
Capex and Capital Structure		**2024A**	**2025A**	**Q1/26E**	**Q2/26E**	**Q3/26E**	**Q4/26E**	**2026E**	**2027E**
Capex	C$ mm	8.37	45.43	18.0	12.0	12.0	12.0	54.00	48.00
Weighted Average Basic	mm	56.5	67.7	68.4	68.4	68.4	68.4	68.4	68.4
Dilutive Shares	mm	56.5	75.0	75.0	75.0	75.0	75.0	75.0	75.0
Market Cap	C$ mm	152.5	182.8	184.6	184.6	184.6	184.6	184.6	184.6
Enterprise Value	C$ mm	131.3	198.4	212.1	216.4	219.7	221.4	221.4	225.6
Net Debt (WC)	C$ mm	(21.2)	15.6	27.5	31.8	35.1	36.8	36.8	41.0
Net Debt/Cash Flow	C$ mm	na	0.9x	1.1x	1.0x	1.0x	0.9x	1.1x	0.9x

*Uzbekistan Funds Flow Only

Source: Company reports, Research Capital Corp.

Company Description:

Condor Energies is an international energy company with a production enhancement contract (PEC) for eight producing natural gas-condensate fields in Uzbekistan. In Kazakhstan, the Company is advancing multiple modular LNG (mLNG) projects and holds two critical minerals licenses covering over 40,300 hectares.

Risks:

LNG FACILITY CONSTRUCTION RISKS | Unforeseen challenges such as weather conditions, supply chain disruptions, or contractor issues could lead to delays in the construction timeline, impacting the expected start of operations. Also, the final cost of construction could exceed initial estimates due to factors like rising material costs, labor shortages, or unexpected technical difficulties, potentially reducing the overall return on investment. Also, the complexity of LNG plant construction, including the integration of advanced technologies, may lead to unforeseen technical issues that could affect plant performance or lead to costly modifications.

EXCHANGE RATE RISK | Condor is an international company and is exposed to currency fluctuations including the Kazakhstan Tenge, the Uzbekistani sum, the Turkish Lira ("TRL"), the US dollar ("USD") and the Canadian dollar. Natural gas and condensate sales in Uzbekistan are domestic sales at local market prices, and natural gas sales in Türkiye 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.

POLITICAL RISK | Condor is an international oil and gas company with activities in the Republic of Kazakhstan, the Republic of Turkiye and Uzbekistan.

COMMODITY RISK | The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry.The Company had no derivative commodity price contracts in place. Natural gas sales in Uzbekistan are domestic sales at local market prices. Condensate sales prices in Uzbekistan are based upon Brent Crude 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.

CREDIT RISK | 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. Sales of natural gas are currently sold to one customer in each of Uzbekistan and Türkiye, and sales of condensate were sold to one customer in Uzbekistan and therefore all are subject to concentration risk.

LIQUIDITY RISK | Condor requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Uzbekistan, Kazakhstan and Türkiye. Although Condor is generating cash flow the Company may need to raise additional equity and debt to finance future operations.

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