ASX ANNOUNCEMENT

Date: 29 October 2024

ASX Code: CND

Capital Structure
Ordinary Shares: 586,333,677
Current Share Price: 3.0c
Market Capitalisation: $17.6M
Cash: $1.4M (Sept. 2024)
EV: $16.2M
Debt: Nil

Directors

Matt Ireland
Non-Executive Chairman

Scott Macmillan
Non-Executive Director

Serge Hayon
Managing Director

Contact Details
First Floor
10 Outram Street
West Perth WA 6005
Australia

Tel: +61 (8) 6243 0429

condor-energy.com.au

September 2024 Quarterly Activities Report

Highlights

- **Condor Energy Ltd (ASX: CND) (Condor or the Company) is pleased to advise that Mr Serge Hayon has been appointed as Managing Director of the Company effective from the 1st of October 2024.**
- **Significant new oil targets identified from fast-track interpretation of the 3,800km^2 of legacy 3D seismic data.**
- **The Salmon Lead exhibits stacked structural traps with potential Direct Hydrocarbon Indicators (DHIs). It Offers several follow-on targets if successful, with a repeated structural configuration.**
- **Successfully reprocessed 1,000 km² of legacy 3D seismic data across three leading prospects, providing enhanced insights into prospectivity that will guide our ongoing interpretation and resource estimation efforts.**
- **New seismic inversion and AVO studies have produced indications of high-quality reservoirs and hydrocarbon fill at the Raya Prospect, significantly upgrading its prospectivity.**

Condor Energy Limited (ASX: CND) (**Condor** or the **Company**) is pleased to provide the following report on exploration activities for the quarter ending 30 September 2024.

Technical Evaluation Agreement (TEA) LXXXVI - Offshore Oil and Gas Block (CND 80% Working Interest)

During the reporting quarter, Condor and US-based joint venture partner Jaguar Exploration Limited (Jaguar), continued the evaluation of the 4,858km^2 Technical Evaluation Agreement (TEA or block) offshore Peru in conjunction with the Company's technical advisors Havoc Services Pty Ltd (Havoc).

Condor's block comprises over 3,800km^2 of existing 3D seismic data from which an aggregate of 1,000km^2 have been selected to undergo pre-stack depth migration (PSDM) reprocessing and interpretation across three discrete highly prospective areas (Figure 1). The three areas selected for reprocessing were chosen following the identification of the Raya and Bonito prospects and the Piedra Redonda gas field.

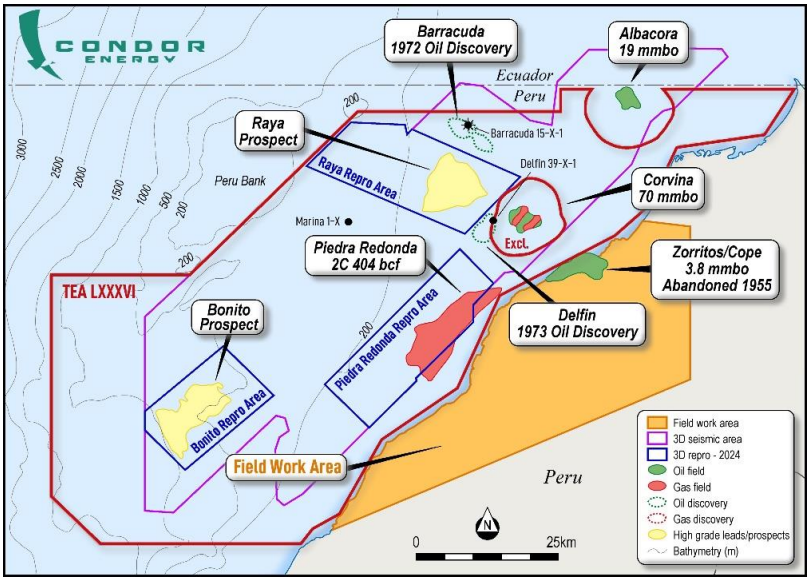

Figure 1 – TEA Prospects and 3D Seismic areas selected for reprocessing.

The Raya[1] and Bonito[2] prospects are large features in the Zorritos Formation, which present structural closure at multiple levels and the potential for stacked pay with multiple Zorritos reservoir-seal pairs present. The Piedra Redonda gas field contains 'Best Estimate' Contingent Resources (2C) of 404 Bcf (100% gross)[3] which potentially underpins a standalone gas development and additional low-risk upside located updip from the C-18X discovery well with 'Best Estimate' Prospective Resources (2U) of 2.2 Tcf[#] (gross unrisked) of natural gas[4].

[#]Cautionary Statement: The estimated quantities of gas that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Work completed during the quarter included a more detailed evaluation of fast-track interpretation of the 3,800km^2 of 3D legacy seismic data, with the identification of multiple significant new oil leads. Also, New seismic inversion and AVO studies have produced indications of high-quality reservoirs and hydrocarbon fill at the Raya Prospect, significantly upgrading its prospectivity. Integration of the completed field work at the beginning of the quarter have aided in maturing and improving understanding and identification of prospectivity. Completion of the reprocessed 1,000 km^2 of legacy 3D seismic data across three leading prospects, provides enhanced insights into prospectivity that will guide our ongoing interpretation and resource estimation efforts.

Multiple Significant New Oil Leads Identified in Peruvian TEA

During the reporting quarter, the Company identified significant new oil targets based on the fast-track interpretation of the 3,800km^2 of legacy 3D seismic data, which highlights the potential for additional discoveries in the Block (Figure 2). Condor has completed a comprehensive assessment of the Salmon Lead.

[1] See the Company's announcement dated 21st of February 2024
[2] See the Company's announcement dated 2nd of April 2024
[3] See the Company's announcement dated 18th of March 2024
[4] The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

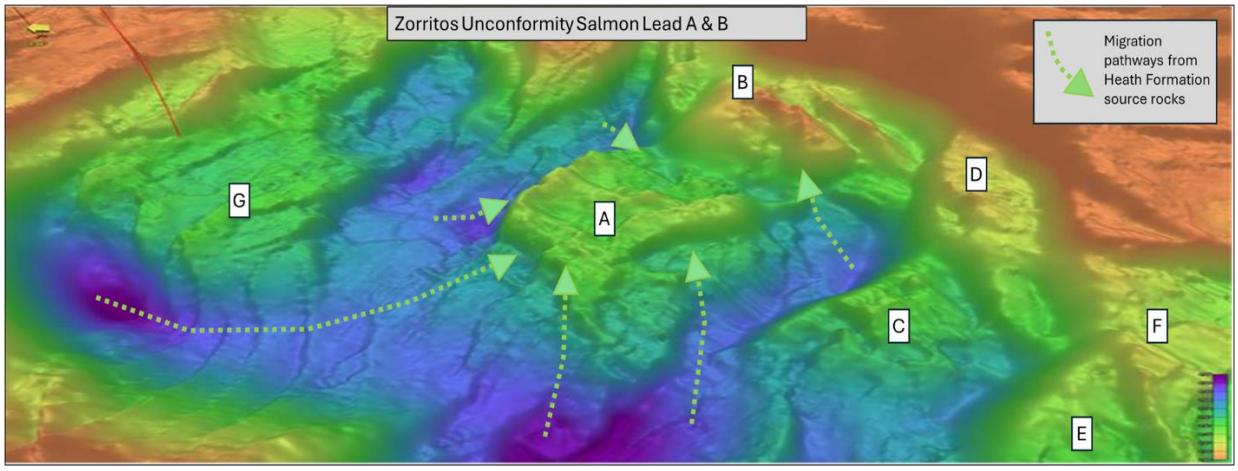

Figure 2 – Perspective view of the Zorritos Unconformity. The Salmon Lead at this level has two separate closures (A&B) and additional leads (C-G) have also been identified. The green arrows show inferred oil migration pathways into the traps.

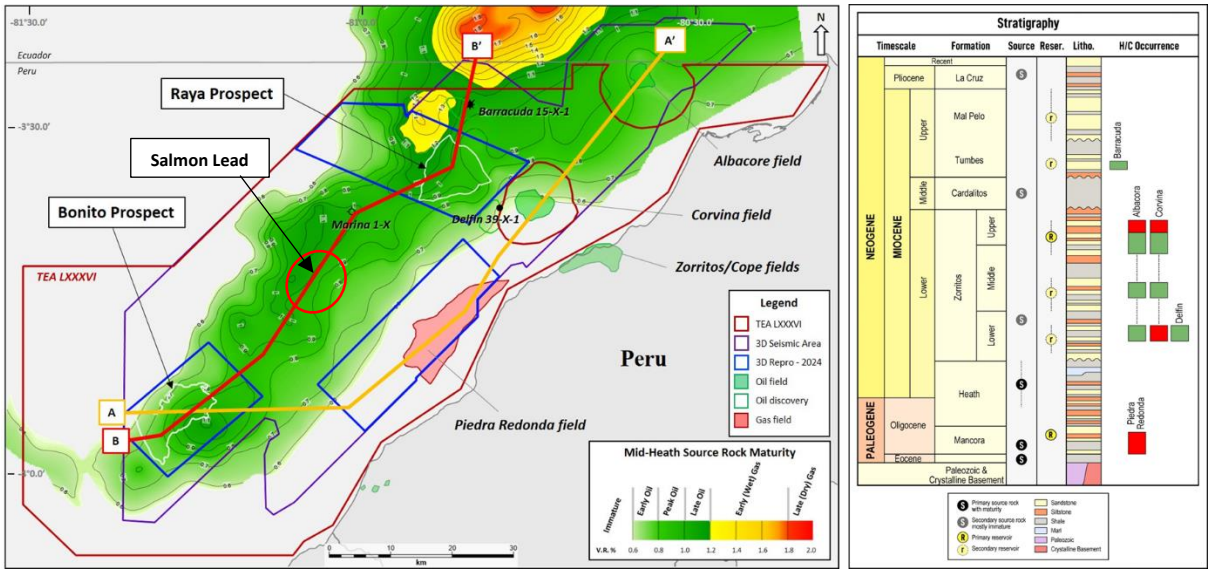

Figure 3 – Maturation map showing expected Vitrinite Reflectance (%) in the middle of the Heath Formation. The peak oil generation zone corresponds to a range in vitrinite reflectance between 0.8 and 1.2% shown in green.

The Salmon Lead is a structural target in the basin centre located mid way between the previously identified Raya and Bonito Prospects (Figures 2 and 3).

It is located in an area where the Heath Formation source rocks are expected to be at peak oil maturity[5] (Figure 3) and also lies in an area of focus for any oil migrating up-dip along the regional Cardalitos Formation seal (Figure 2). The Cardalitos Formation shales above the Zorritos Unconformity are expected to provide a regional seal and migration pathway for hydrocarbons being expelled from the Heath Formation.

Structuraly, the Salmon Lead can be described as a faulted horst block (Figures 4) with structural closures mapped at the Zorritos, Cardalitos and Mal Pelo Formation levels (Figure 5).

[5] See ASX announcement dated 4th of June 2024

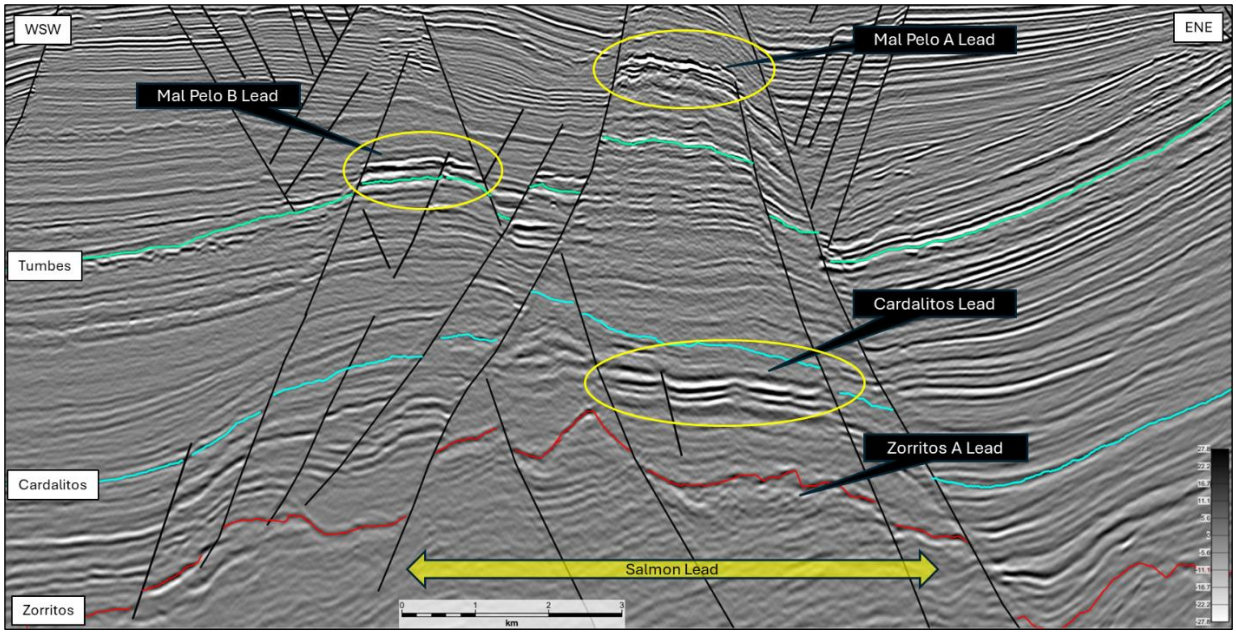

Figure 4 – Seismic section through the Salmon Lead.

The primary objective in the Salmon Lead are Zorritos Formation sands beneath the Zorritos Unconformity, however, the closures mapped at the Cardalitos and Mal Pelo Formations as well as the presence of bright reflectors at those same levels provide additional exploration targets stacked above the deeper Zorritos reservoirs.

The Cardalitos Formation is predominantly comprised of shale and generally recognised as a good seal above the Zorritos Unconformity, however, the stratigraphic section produced as a result of the geological field work carried out by the Company showed that there are occasional pulses of turbidite deposits (typically coarser sandstones and conglomerates) within the Cardalitos Formation.

This understanding has enabled the Company to interpret the bright reflectors, labelled Cardalitos Lead in Figure 4, as a package of turbidite deposits which could have reservoir potential.

The bright events noted within the Mal Pelo Formation in Figure 4 could be potential Direct Hydrocarbon Indicators (DHIs) in the same way that DHIs have been demonstrated in the same Mal Pelo Formation up dip from the gas shows returned in sands intercepted by the Marina-1 well.

These potential DHIs, as well as those within the Cardalitos Formation are going to be further investigated using specialised seismic attribute processing, but for the moment Condor has already defined, in the Salmon Lead, 37km^2 of potential closure in the Zorritos Formation, 21km^2 of potential closure in the Cardalitos Formation and 9km^2 and 11km^2 areas of potential closure respectively in the Mal Pelo Formation A and B Leads (Figure 5).

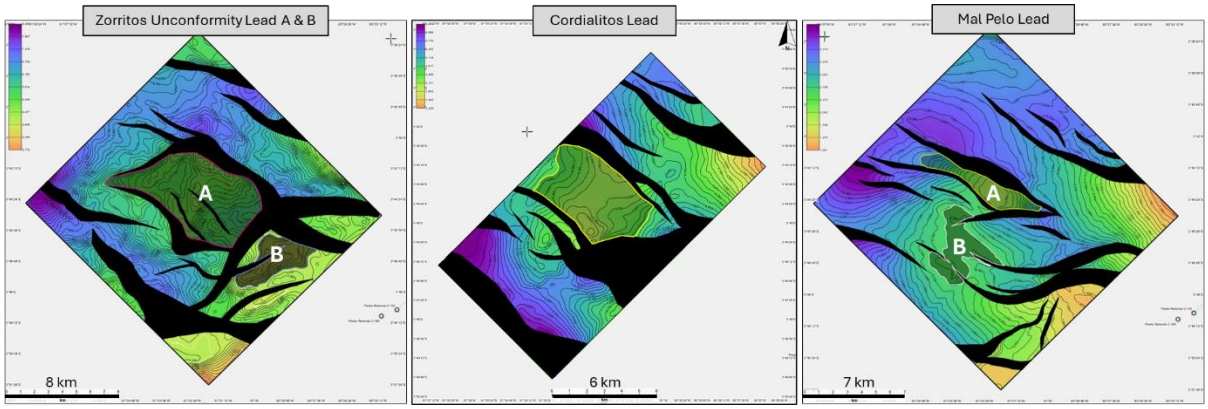

Figure 5 – Salmon Lead depth structure maps of the Zorritos Unconformity, Cardalitos bright event and Base Mal Pelo Formation. Areas of potential closure shown by shading – Zorritos A 37 km², Zorritos B 10 km², Cardalitos 21 km², Mal Pelo A 9 km², Mal Pelo B 11.6 km².

Additionally, the orientation of the underlying basement fabrics with respect to the wrenching movement imparted by the subducting Pacific oceanic plate appear to have caused structural repetition. As shown in Figure 2, the structural configuration of the Salmon Lead (A&B) appears to be replicated by the C&D structures and the E&F structures while the G target is an untested Zorritos closure below the base of the Marina-1 well.

If the Salmon Lead is proved to be productive then the exploration risks associated with these other features would be reduced considerably.

Interpretation work is underway including the use of specialised seismic attribute volumes to determine if the Salmon Lead and its cohorts can be elevated to being drillable prospects.

New Seismic Studies Upgrade Raya Prospect

During the reporting quarter, the Company performed further revaluation on the Raya Prospect. Quantitative Interpretation (QI) and AVO studies on the legacy 3,800km^2 of 3D seismic data covering most of the Company's Tumbes Technical Evaluation Agreement (TEA or Block) have potentially identified a highly porous sandstone fairway spanning the Raya Prospect, significantly enhancing the probability of success.

The Raya Prospect is defined as a structural high against an east-west fault within the Zorritos Formation, the primary reservoir in the basin, with a combined 46km^2 structural and stratigraphic trap with shales overlying the Zorritos Unconformity providing a regional seal[6] (Figure 6).

[6] See ASX announcement dated 24th February 2024

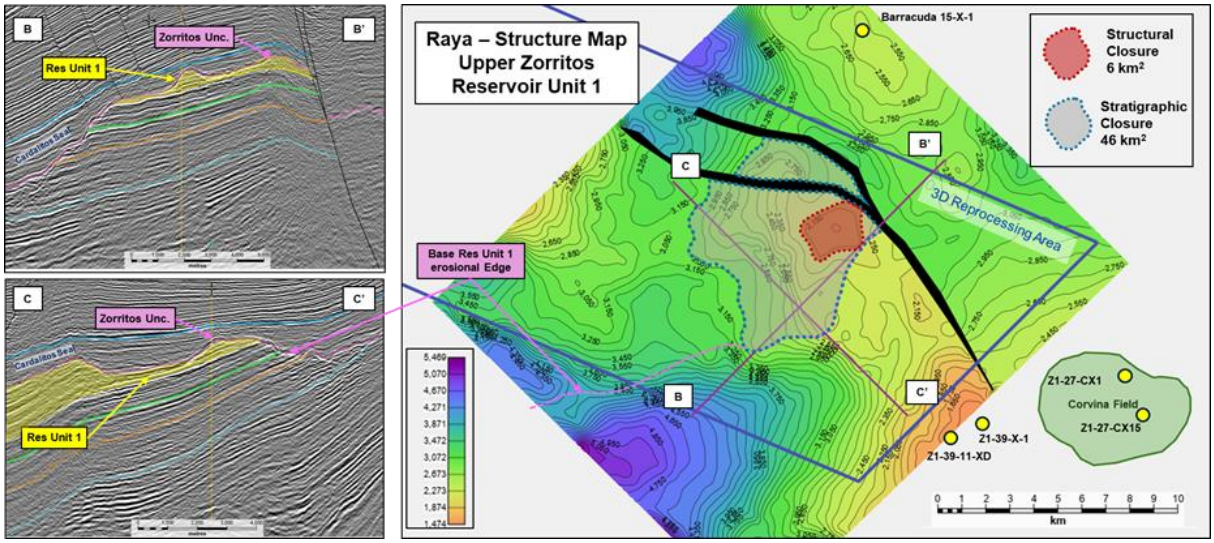

Figure 6 *– Raya structure map and illustrative seismic sections.*

The Company notes that results from the adjacent Delphin and Barracuda wells confirm the presence of oil charge in the area and, in order to determine resevoir quality, has conducted Quantitative Interpretation (QI) studies of the seismic data covering the Raya prospect.

eSeis Inc., a leading Houston-based QI company, has provided LithSeis and Amplitude Versus Offset (AVO) volumes over the entire 3D data set.

The LithSeis cube, although uncalibrated by well data, is a pre-stack seismic-based petrophysical analysis that yields lithology, porosity, and possible hydrocarbon fill. In the LithSeis section (Figure 7b), yellow colours are interpreted to represent porous sandstones, with red reflectors interpreted to represent very high porosity and/or where hydrocarbons are present. In this case, several layers of high porosity at the top of potential reservoir zones (such as layer SC 1) are evident.

The AVO sections illustrate the responses of seismic reflections to increasing angles of offset and uses a colour bar to differentiate between the five commonly recognised classes of AVO responses; in this area, Class 2 or Class 3 responses are of particular interest as they may be indicative of a hydrocarbon-filled reservoir (either gas or oil).

The highly encouraging culmination of these analyses are the mapped responses of LithSeis and AVO across the SC 1 layer (Figure 8). The strong and consistent LithSeis response suggests the presence of a highly porous sandstone fairway running NE-SW across the Raya prospect, potentially derived from one of the feeder systems identified during field mapping.

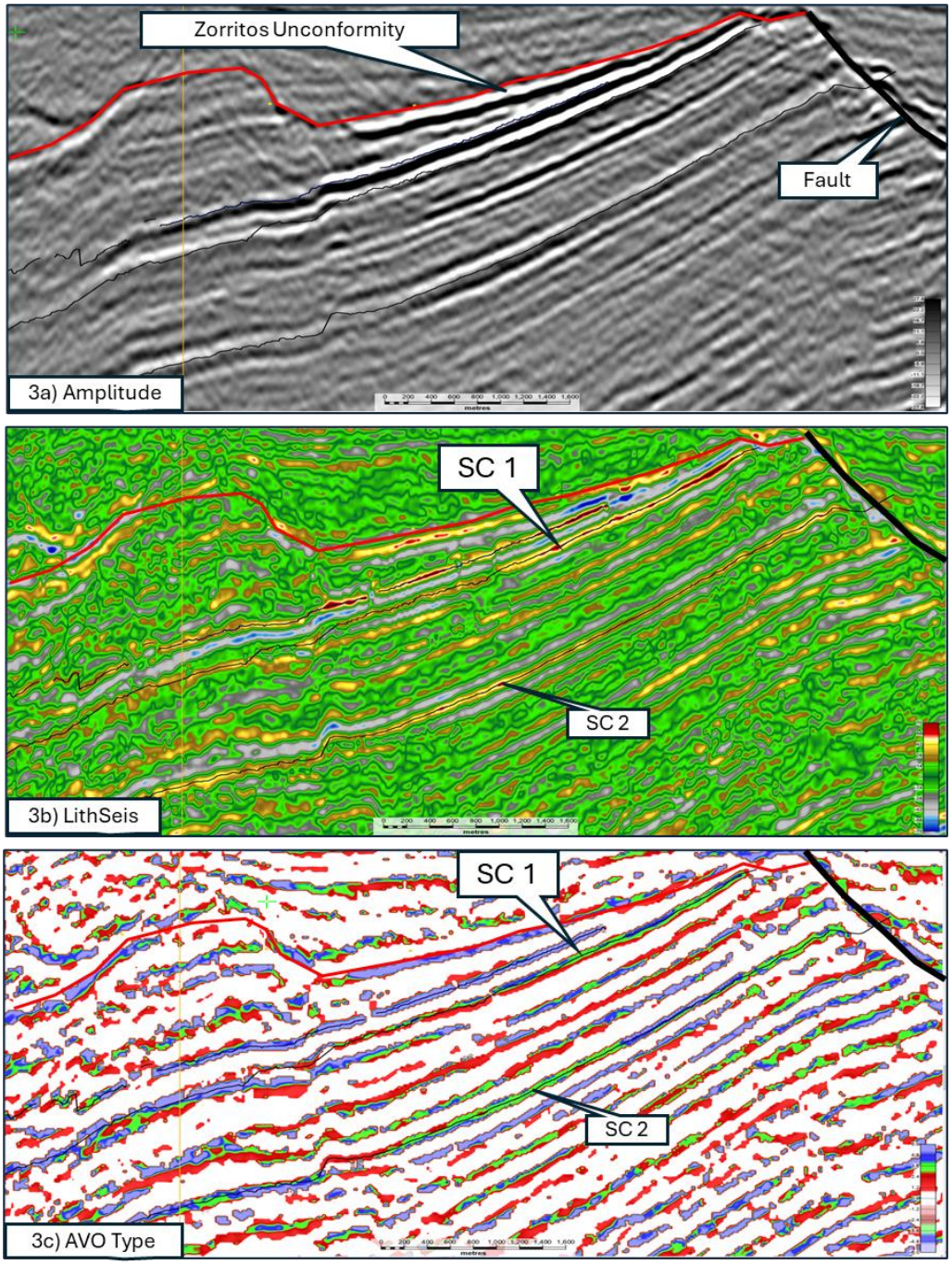

Figure 7 *– Raya Prospect. 7a – Conventional seismic amplitude section, 7b – LithSeis section where coherent yellows and reds may correspond to the top of sandstone sections with porosity, 7c – AVO Class volume where the types of variations in seismic amplitude with increasing angles of offset of the seismic energy are indicated with different colours.*

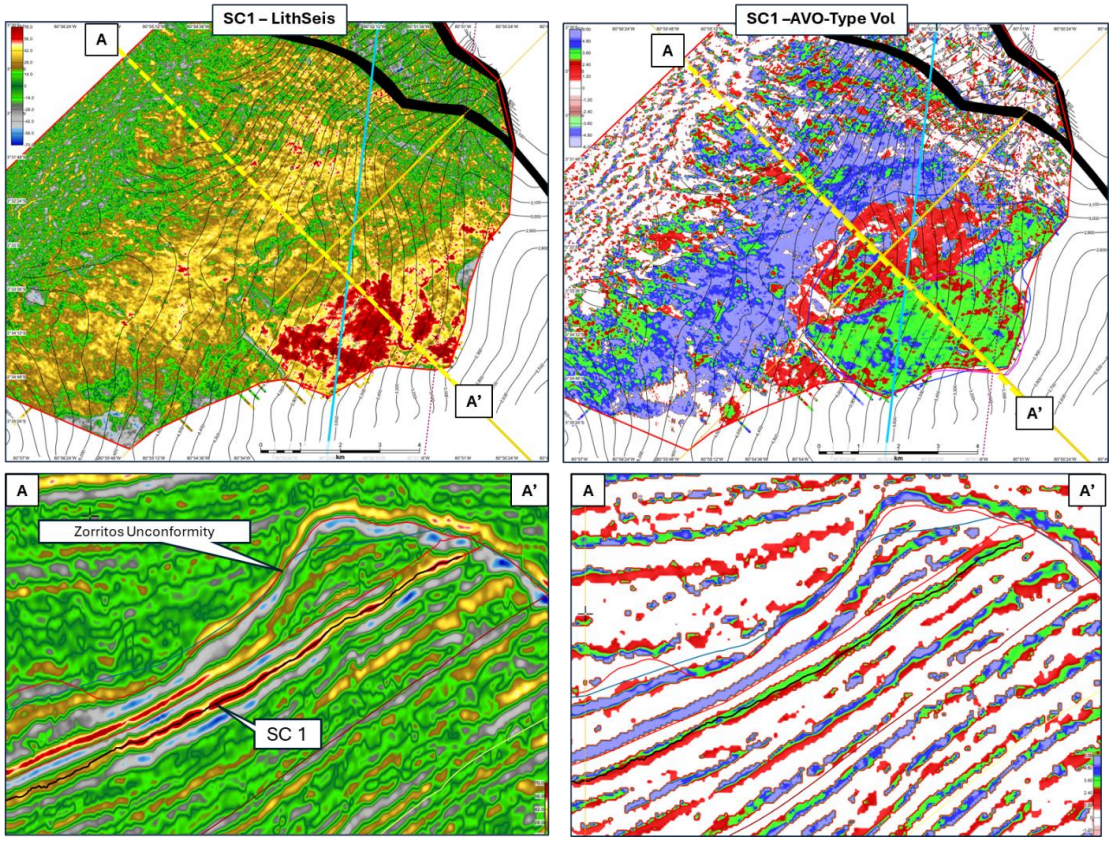

Figure 8 *– LithSeis and AVO responses of the SC1 interval mapped as a coherent red/yellow event on the LithSeis volume.*

The red colouration on the LithSeis section may indicate higher porosity or a stratigraphically trapped hydrocarbon phase. The highly coherent AVO response (Class 2 in red, Class 3 in green) supports this interpretation. The responses cross the structural contours, suggesting a lithological response, such as sand channels, rather than structurally trapped fluids. However, the distribution of fluids within the sand channels eg oil vs water could be stratigraphically controlled.

To investigate reservoir quality, the seismic volume was flattened on the Zorritos Unconformity, and an opacity cube was created over the upper-most section of the Zorritos Formation. The opacity cube allows the responses of the LithSeis cube to be sculpted, leaving only the yellows and reds visible. The resulting cube (Figure 9) represents raw data rather than an interpreted surface. The NE-SW trend of bright yellow and red, interpreted as a reservoir fairway, runs through the centre of Figure 9. Fan and channel-like geometries, as might be expected, are present.

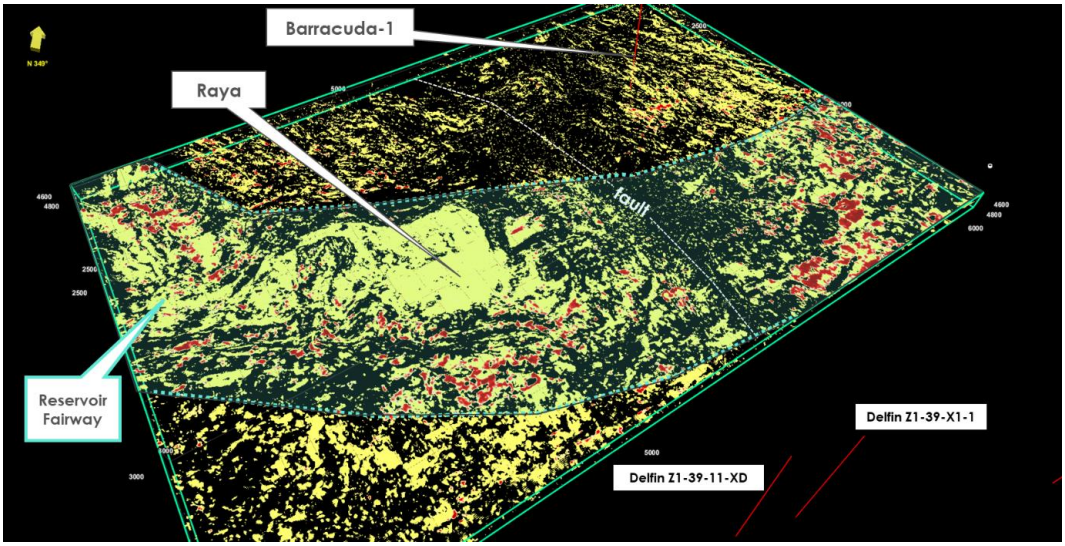

Figure 9 *–LithSeis opacity cube of the uppermost Zorritos Formation beneath the flattened Zorritos Unconformity. The cube has been scupted to only display the yellow and red responses on the LithSeis cube which are potentially porous sandstanes.*

Completion of Field Work

At the beginning of the quarter, the Company reported that a geological field campaign had been undertaken on the onshore section of the Tumbes Basin.

The campaign was completed in order to assist in the interpretation of the legacy data already gathered on the TEA and to recognise and understand (through sedimentological and stratigraphic analysis) the sedimentary characteristics and, especially, the sedimentary environments of the reservoir rocks present in the basin.

Results of the campaign aided in the construction of a generalised stratigraphic column for the prospective sedimentary sections within the onshore parts of the basin and detailed stratigraphic sections and interpretations of depositional environments. All these, together with measurements of palaeocurrents provided sufficient information for the building of depositional models for the Zorritos and Mancora reservoirs (Figures 10 and 11).

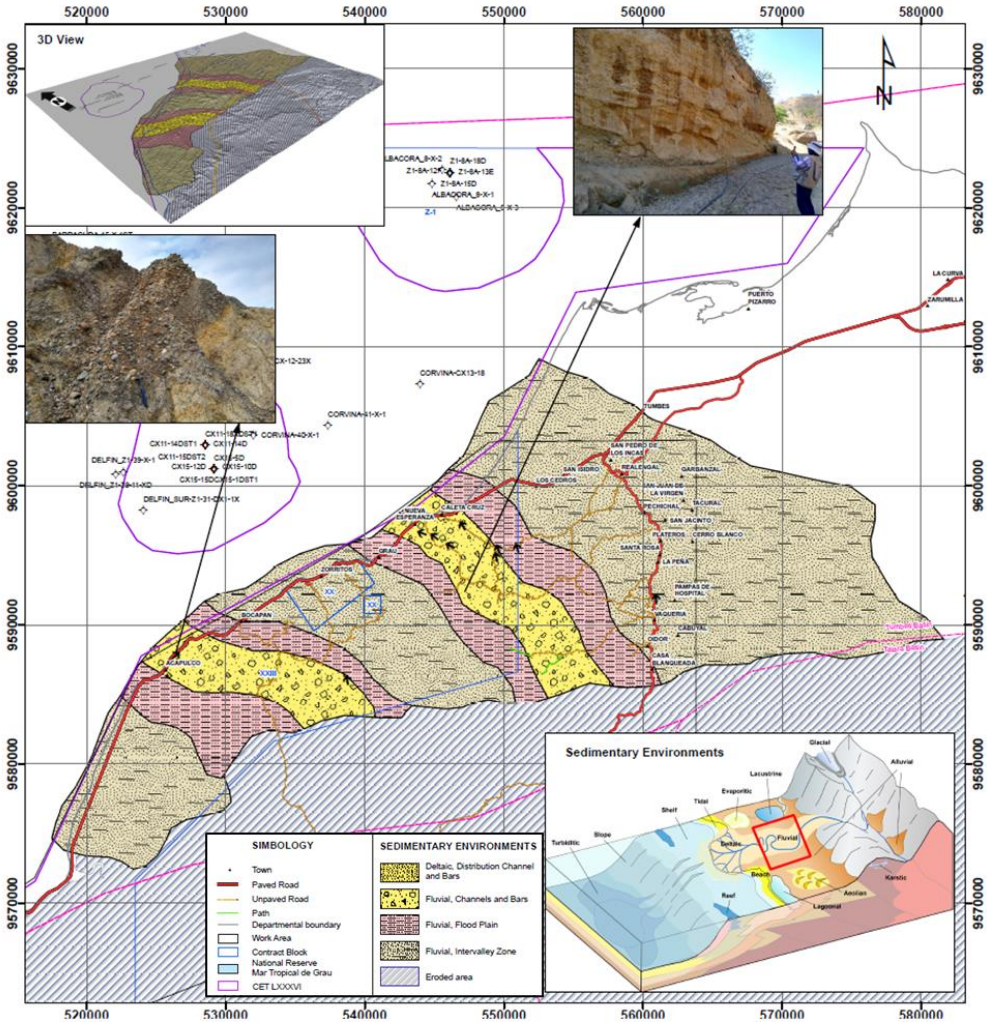

Figure 10 – Zorritos depositional model

Based on the sedimentological and stratigraphic analysis, it was shown that the onshore occurrence of the Zorritos Formation corresponds to two well differentiated fluvial environment deposits which feed into the offshore part of the basin (Figure 10). Furthermore, it was interpreted that the identified delta systems provide turbiditic sands into the deeper parts of the basin and the primary reservoirs of the offshore prospects.

The Mancora onshore depositional model which resulted from sedimentological and stratigraphic analysis (Figure 11) showed two major rivers feeding into deltas that deliver considerable volumes of sediments into the basin.

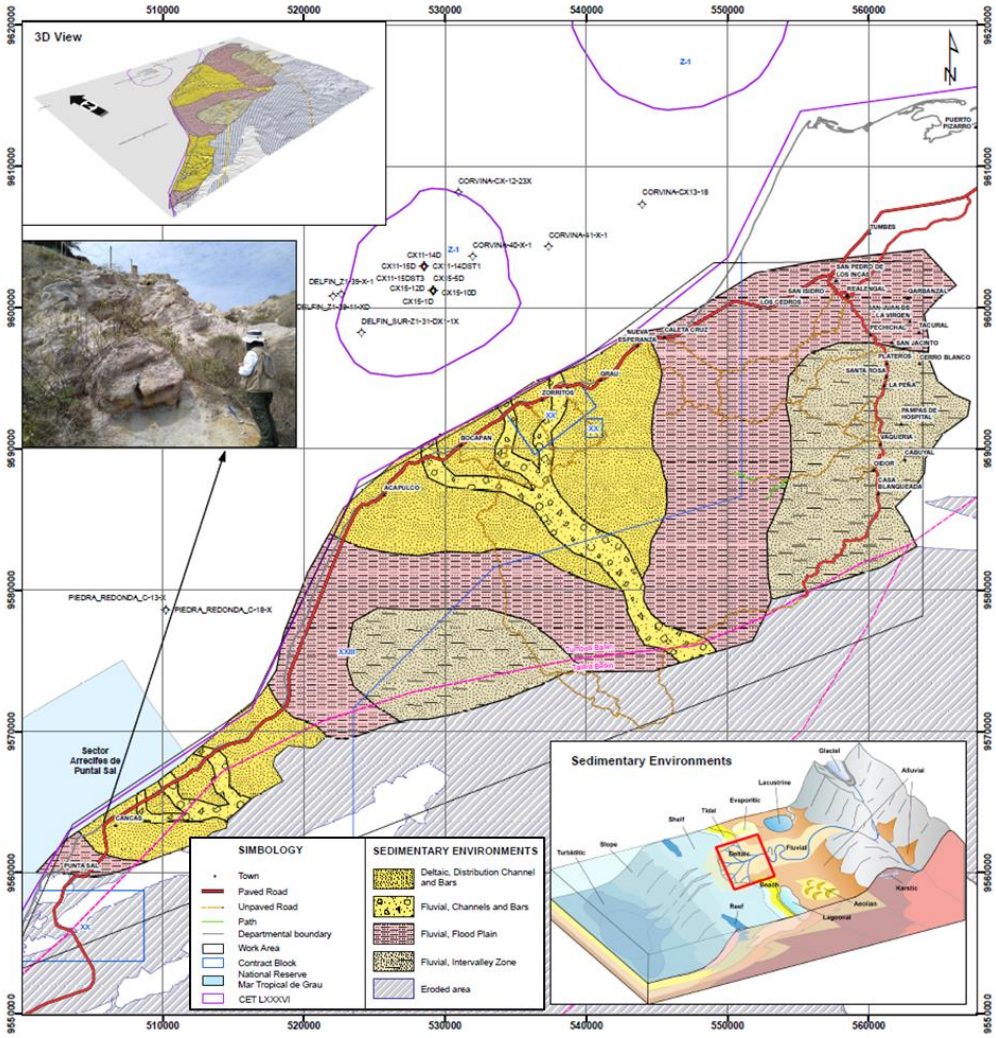

Figure 11 – Mancora depositional model

3D Seismic Reprocessing Completed

Reprocessing of a total of 1,000km² of legacy 3D seismic data across three leading prospects completed. Data quality vastly improved, significantly enhancing oil and gas prospectivity

The contract for reprocessing was awarded to Advanced Geophysical Technology ("AGT") of Houston who have now delivered final products including Pre-Stack Time Migration and Pre-Stack Depth Migration volumes as well as derivative products used for Quantitative Interpretation ("QI") workflows. These workflows provide enhanced insights into the lithology of subsurface rocks and the fluids they may contain.

Condor is pleased with the results of the reprocessed volumes which have improved both the quality of the seismic image and the frequency content. These improvements greatly enhance the quality of seismic interpretation.

Condor has commenced a review of the Raya and Bonito prospects and the Piedra Redonda discovered gas field using the new reprocessed seismic and is confident that the improved 3D seismic data will enable the formulation of Resource estimates.

The Company has also identified more than 20 additional prospects and leads which lie outside of the areas selected for reprocessing, with the objective of selecting the most prospective features through a final prospect screening and ranking process.

Progress of other projects

No activity was carried out on the EP127, Canning Basin or the WA 519 – P licences.

Corporate

Appointment of Managing Director

Condor Energy announced the appointment of Serge Hayon as the new Managing Director, effective 1st of October. This marks an exciting phase for the company. Serge brings a proven track record of advancing oil and gas opportunities. The appointment demonstrates the commitment of the company to advancing exploration and development opportunities within the Tumbes Basin, Peru.

Payments to related parties of the entity and their associates

Payments to related parties of the Company and their associates during the quarter per Section 6 of the Appendix 5B total $87,761. Directors' fees amount to $73,447 and payments to related party totalling $14,314 are as follows:

1. Legal fees to Steinepries Paganin Lawyers of $6,314. Matt Ireland is a Partner at Steinepreis Paganin
2. Rent to Invictus Energy Ltd of $8,000. Scott Macmillan is a Director of Invictus Energy

Schedule of Tenements 30 September 2024

There were no changes during the quarter:

Project	Tenement	Company's Interest
Offshore Peru	TEA LXXXVI	80%
Southern Georgina Basin, Northern Territory	EP 127	100%
Goshawk Squadron JV – Canning Basin, WA	EP 499	20%
Goshawk Squadron JV – Canning Basin, WA	STP – EPA 162 (application)	20%
Goshawk Squadron JV – Canning Basin, WA	STP – EPA 163 (application)	20%
Goshawk Squadron JV – Canning Basin, WA	STP – EPA 166 (application)	20%
Goshawk Squadron JV – Canning Basin, WA	STP – EPA 167 (application)	20%
Western Gas (519P) Pty Ltd – Sasanof WA	WA 519 - P	25%

-- ends --

Authorised by the Board of Condor Energy Limited.

For further information please contact:

Serge Hayon – Managing Director
info@condor-energy.com.au

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Condor Energy Ltd	
ABN	**Quarter ended ("current quarter")**
80 112 893 491	30 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(42)	(42)
	(e) administration and corporate costs	(208)	(208)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) Unissued shares	-	-
1.9	**Net cash from / (used in) operating activities**	**(233)**	**(233)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(401)	(401)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(401)**	**(401)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings (unissued shares)	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease repayments)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,042	2,042
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(233)	(233)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(401)	(401)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,408**	**1,408**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances (i)	398	832
5.2	Call deposits	1,000	1,200
5.3	Bank overdrafts	-	-
5.4	Other (EP127 Bond)	10	10
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,408**	**2,042**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	39

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(233)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(401)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(634)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,408
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,408
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.22

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2024

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.