



Canadian Overseas Petroleum Mozambique license awarded and Nigeria update

Calgary, Canada, December 15., 2017 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: TSX-V) & (COPL: LSE), an international oil and gas exploration and development company, announces that through its 50% owned subsidiary ShoreCan, COPL has been advised by the Government of Mozambique that its bidding consortium, described below, has been awarded onshore Block PT5-B in the 5th Licensing Round (the “Block”).

ShoreCan, the jointly held subsidiary of COPL and Shoreline Energy International, holds a 57% interest in the consortium and is the operator. The other constituents are: Bluegreen (23%), Indico Dourado (10%) and ENH (carried 10%) (together the “Consortium”).

PT5-B is located on the Mozambique coastal plain, 750 km north of the capital of Maputo. The block is 4,356 sq. km in size and surrounds the north, west, and southwest margins of the Pande Gas Field, half of the Pande-Temane Gas field complex which has reported gas reserves of 2.6 TCF and production in 2016 of 475 mmcf/d. The gas is primarily exported by pipeline to South Africa. In February 2017, Sasoil the operator of the Pande-Temane gas complex announced a light oil discovery and the construction of a crude oil and LPG processing facility in an adjacent area to the east called Inhassoro. The Company believes the Block is prospective for light oil and gas in the productive zones at Pande, Temane and Inhassoro as well as deeper horizons.

The Consortium has been invited to negotiate with the Government of Mozambique the terms of the production sharing contract governing the Block in the first quarter of 2018. These will include the acquisition of 1600 line km of 2D seismic. COPL believes the Block offers potential for additional gas and light oil resources based on its review of the historic 2D seismic data base.

Nigeria

With regard to OPL 226, offshore Nigeria, COPL notes that Essar Nigeria, which is 80% owned by ShoreCan, is in the final stage of being granted ministerial consent for the Essar acquisition, and has applied for an extension to the first phase of the Production Sharing Contract (“PSC”). COPL can also confirm that the Company has made further progress towards raising funds to finance the OPL 226 project. While the process of extending the PSC and raising funds for the project has taken longer than anticipated, COPL and its partner Shoreline continue to do all they can within their means to achieve these milestones. The Company also notes that the timing of the drilling campaign on OPL 226 will be delayed somewhat due to the delay in completing the project financing and receipt of final consent from the concessionaire NNPC for the change in control of Essar Nigeria.



Arthur Millholland, President and CEO, commented:

“The development in Mozambique through our ShoreCan partnership is an exciting new opportunity for COPL. While exploratory, the on-shore block is situated in a hydrocarbon-rich area, located close to two large producing gas fields and an oil field. COPL will update further in due course once the terms of the production sharing contract are agreed.

In Nigeria, Essar is in the final stage of being granted an extension to the related PSC. Given the indigenous participation in the project there is considerable domestic support and COPL continues to do everything it can as a partner to finalise the extension and project financing.”

About the Company:

The Company is an international oil and gas exploration and development company focused in offshore West Africa. The Company is actively pursuing opportunities in Nigeria in partnership with Shoreline Energy International Limited (“Shoreline”) as part of its strategy to generate stable cash flow from secure offshore assets. The Company and Shoreline, through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation (“ShoreCan”), have acquired 80% of the share capital, and have taken over the management, of Essar Exploration and Production Limited (Nigeria) (“Essar Nigeria”). Essar Nigeria holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. Drilling of the first appraisal well is planned to commence in early 2018. ShoreCan is currently waiting for final approval from the Government of Nigeria for the acquisition.

ShoreCan is building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria. It continues to evaluate a variety of additional assets in Nigeria, and Mozambique.

The Common Shares are listed under the symbol "XOP" on the TSXV and under the symbol "COPL" on the London Stock Exchange.

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