



CANADIAN OVERSEAS PETROLEUM LIMITED

## Canadian Overseas Petroleum Reports 2019 Year End Results and Updates Timing of Annual Meeting and Filings Due to Covid-19

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**Calgary, Canada, May 13, 2020** – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on sub-Saharan Africa, announces its results for the year ending December 31, 2019.

The Company at the end of its fiscal year-end, December 31, 2019, was experiencing liquidity issues which have extended into the current period of 2020. As stated previously, the Company does not currently have sufficient working capital, cash inflows and/or adequate financing to continue its operations. Accordingly, the Company’s continued successful operations are dependent on its ability to obtain additional financing.

The Board of Directors has undertaken steps to mitigate these issues currently and going forward. These steps include the following:

1. In February 2020, the Company announced it had entered into a loan agreement in the form of a Promissory Note, secured by the Company’s assets, with the President and CEO for CDN\$200,000. The purpose of this loan was to ease the liquidity issue temporarily to allow the Company to enter into a larger Financing.
2. On April 29, 2020, the Company announced that it had entered into a £2,000,000 Equity Placing Agreement with Yorkville Advisors Global (“YA”) and Riverfort Global Opportunities PCC. Closing of this facility is contingent of the clearing of a Prospectus which is currently in front of the UK Regulators.
3. On April 29, 2020, The Company announced the President and CEO had agreed to convert the Promissory Note for CDN\$200,000 into Common Shares at the Benchmark Price in the announced Yorkville-Riverfort Equity Placing Agreement. Closing is subject to Regulatory Approval and satisfactory discussions with the Company’s unsecured creditors.
4. The Company’s Employees have agreed to accept Common Shares in COPL as payment for accrued unpaid salaries at the Subscription Price in the announced Yorkville-Riverfort Equity Placing Agreement. Closing is subject to Regulatory Approval.
5. The Company’s Directors have agreed for the Company to write off accrued unpaid Directors Fees for 2019 and 2020.



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@COPLinvestor

3200, 715-5<sup>th</sup> Avenue SW  
Calgary, Alberta, Canada T2P 2X6  
+1.403.262.5441 P  
+1.403.263.3251 F

6. The Company has entered into discussions with its major unsecured creditors, representing businesses who have provided services to the Company and are included in Accounts Payable. The Company's Board of Directors by resolution at a meeting Board of Directors held on May 12, 2020 has authorized management to enter into agreements with these businesses to convert their respective accounts receivable into Common Shares of the Company at the Subscription Price in the in the announced Yorkville-Riverfort Equity Placing Agreement.

**Arthur Millholland, President & CEO, commented:**

“This has been a difficult time for COPL. We certainly could not foresee the onset of the global COVID-19 pandemic, nor its effect on the global markets at year end or at the beginning of March. We have taken these steps in difficult times to allow the business to survive. Our employees, management and directors have all contributed to this task at hand. The Company will emerge from this with a much-improved balance sheet and enhanced liquidity. In conjunction with the Yorkville-Riverfort financing announced recently, we will be able to move forward on COPL's key asset in Nigeria. Activities will recommence when the COVID-19 situation allows, as Nigeria has not escaped this global pandemic.”

The results and associated annual regulatory filing documents, including the Financial Statements and the Management's Discussion and Analysis for the year ending December 31, 2019, can be viewed under the Company's name at [www.sedar.com](http://www.sedar.com) or at the Company's website at [www.canoverseas.com](http://www.canoverseas.com). Particular attention is drawn to the going concern in note 2 and subsequent events disclosed in notes 9, 11 and 12 to the Company's consolidated Financial Statements.

**Annual Meeting of the Shareholders and Annual Filings**

Due to issues related to the COVID-19 pandemic the Company's primary Securities Regulator, The Alberta Securities Commission (ASC), on May 1, 2020 issued [ASC Blanket Order 51-518 Re Temporary Exemptions from Certain Requirements to File or Send Securityholder Materials](#), which provides public companies with temporary blanket relief from certain filing and delivery requirements which are generally tied to the sending of materials for annual general meetings (AGMs). Substantially harmonized relief has been granted by members of the Canadian Securities Administrators (CSA) in each of the provinces and territories of Canada.

With this conditional temporary relief, the ASC and other CSA regulators are giving public companies until December 31, 2020 to file their executive compensation disclosure. The ASC and CSA are also providing companies with temporary relief from the requirements to send, or send upon request, copies of their annual or interim financial statements and MD&A to investors within certain time periods.



The Company will comply with the conditions for this relief and as such additional information relating to COPL, including directors' and officers' remuneration and indebtedness, principal holders of COPL's securities and securities authorized for issuance under COPL's Stock Option Plan, will be contained in the Corporation's Information Circular for its upcoming annual meeting of security holders that will involve the election of directors which is expected to be held in later 2020, subject to the success of an application to court to extend the date of the Annual Meeting to no later than December 31, 2020 and such document will be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### About the Company:

The Company is actively pursuing opportunities in Nigeria and sub-Saharan Africa in partnership with Shoreline Energy International Limited ("Shoreline") as part of its strategy to generate stable cash flow from secure offshore and onshore 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) ("Nigerian Affiliate" or the "Affiliate"). The Company's Nigerian Affiliate has applied to the concessionaire NNPC for formal consent to the change in control of the Nigerian Affiliate. The Affiliate 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 2020. ShoreCan is continuing building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and has been indicatively awarded an exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

### For further information, please contact:

**Mr. Arthur Millholland, President & CEO**

Canadian Overseas Petroleum Limited

Tel: + 1 (403) 262 5441

**Cathy Hume**

CHF Investor Relations

Tel: +1 (416) 868 1079 ext. 231

Email: [cathy@chfir.com](mailto:cathy@chfir.com)

**Charles Goodwin**

Yellow Jersey PR Limited

Tel: +44 (0) 75 4427 5882

Email: [copl@yellowjerseypr.com](mailto:copl@yellowjerseypr.com)



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[@COPLinvestor](https://twitter.com/COPLinvestor)

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

*This news release contains forward-looking statements. The use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for operations, delays or changes in plans with respect to exploration or development projects or capital expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since the Company can give no assurance that they will prove to be correct since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Canadian Overseas Petroleum Ltd. For example, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, cost overruns, health and safety issues, political and environmental risks, commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry could cause actual results to vary materially from those expressed or implied by the forward-looking information. Forward-looking statements contained in this news release are made as of the date hereof and Canadian Overseas Petroleum undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*



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