Canadian Overseas Petroleum
ShoreCan and Essar Mauritius Agree to Resolve Dispute

Calgary, Canada, June 4, 2020— Canadian Overseas Petroleum Limited ("COPL" or the "Company") (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on offshore Africa is pleased to announce that its 50% owned joint venture company, Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan") has reached an agreement in principle with Essar Exploration & Production Limited (Mauritius) ("Essar Mauritius") on a way forward to resolve their disputes with each other concerning, among other things, their respective obligations under the Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria") Shareholders Agreement (the "Shareholders Agreement").

The agreement in principle between ShoreCan and Essar Mauritius can be summarized as follows:

- An immediate stay in proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales
- Essar Nigeria, with the full support of its shareholders, will seek an extension of the PSC beyond the current term ending September 30, 2020
- Proposed amendments to the Shareholders Agreement to include:
  - ShoreCan to transfer 70% of the shares in Essar Nigeria to Essar Mauritius;
  - Essar Mauritius to carry Shorecan for a 10% carried interest (capped at US$5 million net) on all costs relating to the drilling of the first Appraisal Well to be drilled under the terms of the OPL 226 PSC
  - ShoreCan will have option to increase it’s shareholding in Essar Nigeria from 10% to 30% by paying 20% of historic expenditures of Essar Nigeria at cost through the drilling of the first appraisal well
- The settlement is conditional on the parties finalizing definitive documentation and completing the transactions, (including securing extension of the PSC) within 35 days.

Arthur Millholland, President and CEO, commented:

“This is a great outcome for the Company in these uncertain times. We look forward to the future working relationship with Essar to unlock the potential of OPL 226.“

The Common Shares are listed under the symbol "XOP" on the CSE and under the symbol "COPL" on the London Stock Exchange.
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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 conclude definitive legal documentation in relation to the dispute referred to above, 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.

Neither the CSE nor its regulation services provider accepts responsibility for the adequacy or accuracy of this release.