



## Canadian Overseas Petroleum Limited Announces £1,300,000 Placing & Successful Shares For Debt Proposal

**Calgary, Canada & London, United Kingdom, July 20, 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, today announces that:

- COPL has entered into agreements with two institutional investors and two high net worth private investors to raise gross proceeds of £1,300,000 in a non-brokered private placement (the "Placing") at a price of 0.3 pence per common share (the "Placing Price"); and,
- The Company has successfully agreed with creditors for the previously announced Debt Exchange which will result in COPL repaying approximately US\$1.6m of historic debt.

The net proceeds from the Placing will be used for ongoing general and administrative costs of the Company and the costs of professional advisers and service providers that are not eligible for the Debt Exchange. Completion of these transactions will improve the Company's working capital position as it works to conclude definitive agreements for the Company's Nigerian OPL 226 project as disclosed on July 10, 2020.

The Placing and Debt Exchange are conditional on admission of trading on the London Stock Exchange of: (i) 433,333,334 common shares to be issued pursuant to the Placing; and, (ii) up to 188,570,475 common shares to be issued pursuant to the Debt Exchange. Application has been made to the United Kingdom's Financial Conduct Authority (the "FCA") for up to 621,903,809 common shares of nil par value (the "New Shares") at 0.3 Pence per common share (the "Placing Price") to be admitted to the standard listing segment of the Official List maintained by the FCA, and to the London Stock Exchange plc (the "London Stock Exchange") for such New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities ("Admission"). It is expected that Admission will become effective and that unconditional dealings in the New Shares will commence on or around July 23, 2020.

The common shares to be issued pursuant to the Debt Exchange were outlined in the Company's Prospectus approved by the FCA on 26 June 2020. The Company reserved a total of 411,326,189 common shares in the capital of the Company (of which 252,512,157 common shares were issued on July 15, 2020) to be allocated for the settlement of debts to its unsecured creditors, accrued unpaid wages to its employees, and the secured Promissory Note due to its CEO at the Placing Price (the "Debt Exchange").

There are no fees or commissions payable pursuant to the Debt Exchange which enables the Company to successfully settle approximately US\$1.6m of debt. COPL will pay a finder's fee of 7.5% cash and 32,500,000 common share purchase warrants in relation to the Placing. The finder's warrants are exercisable into one common share of the Company at a price of 0.39p per share for a period of twelve months from Admission.





The Prospectus approved by the FCA on June 26, 2020, can be viewed under the Company's name at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.canoverseas.com](http://www.canoverseas.com). The Debt Exchange shares to be issued that were not cleared under the prospectus will be issued pursuant to the public offer exemption set out in PRR 1.2.3 Article 1(4)(b) and the Regulated Market Exemption set out in PRR 1.2.4 Article 1(5)(h).

Directors and Executives of the Company that have received New Shares pursuant to the Debt Exchange are detailed in the table below:

<b>Name</b>	<b>Shares Acquired via Debt Exchange</b>	<b>Common Shares Owned Following Admission</b>
Arthur Millholland	41,845,550	110,601,737
Ryan Gaffney	24,791,667	24,791,667

Pursuant to the Debt Exchange, and as described in the Prospectus dated 26 June 2020, Mr. Millholland also has the option to convert a further CAD\$200,000 owed to him pursuant to Promissory Note into common shares of the Company at the Placing Price of 0.3p per share until December 31, 2020.

**Arthur Millholland, President and CEO, commented:** "We are pleased with the outcome of this Placing and these new shareholders who are well known investors in the Oil and Gas E&P space, some of whom I have known more than 20 years. Following the Placing, Debt Exchange, and our recently announced financings, the Company is on firmer financial footing going forward. We continue to work with Essar to complete the legal documentation required to effect the OPL226 transaction as outlined in the agreement in principal announced in June 2020, and we anticipate concluding that documentation shortly. We thank our new shareholders for their support and confidence in the COPL Executive Team. The participants in the Debt Exchange are largely long-term employees and long-standing advisers and service providers to COPL."

**Ryan Gaffney, CFO, added:** "The Placing has been arranged with high net worth and institutional investors that have good and long standing relationships with the COPL Executive Team. The Placing provides COPL with new financing and working capital that will allow us to progress our efforts on OPL226 and to evaluate new opportunities in line with COPL's strategy. The completion of the Debt Exchange has the same effect as raising new financing at a very low cost. COPL will emerge with an improved balance sheet now that it has eliminated these payables and, with new shareholders that we believe will be supportive as we grow."

#### **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"), currently hold 80% of the share capital and have taken over the management of Essar Exploration



and Production Limited (Nigeria) ("Nigerian Affiliate" or the "Affiliate"). On June 4, 2020 the Company announced that the shareholders of the Nigerian Affiliate had reached an agreement in principle to resolve their disputes. Completion of the agreement is ongoing and when completed ShoreCan's shareholding in the Affiliate will change in accordance to the terms outlined in the Press Release. The Affiliate holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. In other ventures, ShoreCan 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 / Joe Burgess  
Yellow Jersey PR Limited  
Tel: +44 (0) 20 3004 9512  
Email: [copl@yellowjerseypr.com](mailto:copl@yellowjerseypr.com)

Damon Heath  
Shard Capital Partners LLP  
Tel: +44 (0) 20 7186 9952

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 continued 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.**