Canadian Overseas Petroleum Limited
Unaudited Condensed Interim Consolidated Financial Statements
As at March 31, 2020 and for the three month periods ended March 31, 2020 and 2019

Management's Responsibility for Consolidated Financial Statements

The information provided in these unaudited condensed interim consolidated financial statements is the responsibility of management. In the preparation of the statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

The audit committee has reviewed the unaudited condensed interim consolidated financial statements with management and has reported to the Board of Directors. The Board of Directors has approved the unaudited consolidated interim financial statements as presented.

Signed "Arthur S. Millholland"
Arthur S. Millholland
President and Chief Executive Officer
June 29, 2020

Signed "Ryan Gaffney"
Ryan Gaffney
Interim Chief Financial Officer
June 29, 2020

Notice to Reader

The unaudited condensed interim consolidated financial statements as at March 31, 2020 and for three month period ended March 31, 2020 and 2019 has been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company's independent external auditor.

Canadian Overseas Petroleum Limited
Condensed Consolidated Statements of Financial Position (unaudited)
(in thousands of United States dollars)

As at	**March 31, 2020**	December 31, 2019
Assets		
Current		
Cash and cash equivalents *(note 5)*	**$ 45**	$ 75
Accounts receivable	**8**	20
Prepaid expenses	**10**	41
Deposits	**44**	44
	107	180
Right-of-use assets *(note 6)*	**276**	291
Office equipment	**35**	38
Long-term receivable *(note 4)*	**239**	239
	$ 657	$ 748
Liabilities		
Current		
Accounts payable and accrued liabilities *(note 8)*	**$ 1,372**	$ 1,424
Short-term loan *(note 9)*	**143**	-
Current portion of lease liabilities *(note 7)*	**48**	45
	1,563	1,469
Lease liabilities *(note 7)*	**235**	270
	1,798	1,739
Shareholders' Deficit		
Share capital *(note 10(a))*	**138,087**	138,087
Warrants (*note 10(b)*)	**107**	107
Contributed capital reserve (*note 10(c)*)	**50,394**	50,394
Deficit	**(187,731)**	(187,430)
Accumulated other comprehensive loss	**(1,998)**	(2,149)
	(1,141)	(991)
	$ 657	$ 748

Nature of operations *(note 1)*
Going concern *(note 2)*
Subsequent Events *(note 13)*

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Canadian Overseas Petroleum Limited
Condensed Consolidated Statements of Comprehensive Loss (unaudited)
(in thousands of United States dollars, except per share amounts)

For the three months ended March 31	**2020**	2019
Operations		
Administrative	**$ (683)**	$ (1,191)
Gain on waived 2019 directors' fees *(note 8)*	**431**	-
Depreciation	**(18)**	(6)
	(270)	(1,197)
Finance costs and income		
Interest income	**-**	1
Interest expense – lease liabilities	**(3)**	-
Interest expense – short-term loan	**(2)**	-
Foreign exchange (loss) /gain	**(26)**	71
	(31)	72
Loss before investments in joint ventures	**(301)**	(1,125)
Loss on investment in joint venture *(note 4)*	**-**	(1)
Net loss	**(301)**	(1,126)
Gain (Loss) on translation of foreign subsidiaries	**151**	(43)
Comprehensive loss	**$ (150)**	$ (1,169)
Loss per share (basic and diluted)	**$ (0.00)**	$ (0.00)
Weighted average number of shares outstanding	**3,483,752,463**	2,486,752,463

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Canadian Overseas Petroleum Limited

Condensed Consolidated Statements of Changes in Equity (unaudited)

(in thousands of United States dollars)

	Share Capital	Warrants	Contributed Capital Reserve	Deficit	Accumulated Other Comprehensive Loss[1]	Total Equity/ (Deficit)
Balance at December 31, 2018	**$ 136,942**	**$ 330**	**$ 50,394**	**$ (183,511)**	**$ (2,072)**	**$ 2,083**
Comprehensive loss for the period	-	-	-	(1,126)	(43)	(1,169)
Balance at March 31, 2019	**$ 136,942**	**$ 330**	**$ 50,394**	**$ (184,637)**	**$ (2,115)**	**$ 914**
Balance at December 31, 2019	**$ 138,087**	**$ 107**	**$ 50,394**	**$ (187,430)**	**$ (2,149)**	**$ (991)**
Comprehensive loss for the period	**-**	**-**	**-**	**(301)**	**151**	**(150)**
Balance at March 31, 2020	**$ 138,087**	**$ 107**	**$ 50,394**	**$ (187,731)**	**$ (1,998)**	**$ (1,141)**

[1] As at March 31, 2020 and 2019, the accumulated other comprehensive loss balance consists of unrealized foreign exchange on translation of foreign subsidiaries.

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Canadian Overseas Petroleum Limited
Condensed Consolidated Statements of Cash Flows (unaudited)
(in thousands of United States dollars)

For the three months ended March 31	2020	2019
Cash Used In Operating Activities		
Net loss	**$ (301)**	$ (1,126)
Interest income	**-**	(1)
Add (deduct) non-cash items:		
Gain on waived 2019 directors' fees *(note 8)*	**(431)**	-
Depreciation	**18**	6
Interest expense – lease liabilities	**3**	-
Interest expense – short-term loan	**2**	-
Unrealized foreign exchange loss (gain)	**118**	(74)
Loss on investment in joint venture *(note 4)*	**-**	1
	(591)	(1,194)
Net change in non-cash working capital *(note 12)*	**422**	206
	(169)	(988)
Cash Provided by (Used in) Financing Activities		
Proceeds from short-term loan *(note 9)*	**153**	-
Payment of lease obligations *(note 7)*	**(4)**	-
Net change in non-cash working capital *(note 12)*	**(4)**	-
	145	-
Cash Used in Investing Activities		
Additions to investment in joint venture *(note 4)*	**-**	(1)
Interest income	**-**	1
	-	-
Decrease in cash and cash equivalents during the period	**(24)**	(988)
Effect of foreign exchange on cash and cash equivalents held in foreign currencies	**(6)**	31
Cash and cash equivalents, beginning of period	**75**	1,856
Cash and cash equivalents, end of period	**$ 45**	$ 899

See accompanying notes to the unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Canadian Overseas Petroleum Limited ("COPL" or the "Company"), is a widely-held publicly traded company incorporated and domiciled in Canada. The Company's common shares are traded on the London Stock Exchange in the UK under the symbol "COPL" and Canadian Securities Exchange (the "CSE") in Canada under the symbol "XOP"; the Company moved its listing from TSX Venture Exchange to the CSE on October 31, 2018. The Company's registered office is in Calgary, Alberta at 400, 444 – 7th Avenue S.W.

COPL and its subsidiaries are involved in the identification, acquisition, exploration and development of oil and natural gas offshore reserves. As at March 31, 2020, the Company has the following subsidiaries, all of which are wholly-owned directly or indirectly:

- COPL Technical Services Limited, which is involved in providing technical and administrative services to the COPL group of companies;
- Canadian Overseas Petroleum (UK) Limited ("COPL UK"), incorporated in the United Kingdom ("UK") provides technical and projects related services to the COPL group of companies;
- Canadian Overseas Petroleum (Bermuda Holdings) Limited, Canadian Overseas Petroleum (Bermuda) Limited and Canadian Overseas Petroleum (Namibia) Limited, which were incorporated to conduct operations in Africa.
- Canadian Overseas Petroleum (Ontario) Limited ("COPL Ontario") which was incorporated on December 15, 2017 for the purpose of an anticipated operation in Ontario, Canada; however, the acquisition project was not successful.

The Company, along with an unrelated company, Shoreline Energy International Limited, incorporated Shoreline Canoverseas Petroleum Development Corporation Limited ("ShoreCan") in October 2014 in Bermuda to focus on acquisitions of upstream oil and gas exploration, development and producing assets in Africa. Both partners hold a 50% interest in the joint venture.

2. BASIS OF PREPARATION AND GOING CONCERN

Basis of Preparation and Compliance

The Company's unaudited condensed interim consolidated financial statements ("financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" following acceptable accounting policies under International Financial Reporting Standards ("IFRS") and are reported in thousands of United States dollars ("$"). The Company's financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2019 and 2018, which outline the Company's significant accounting policies in Note 3 thereto, which have been applied consistently in these financial statements as well as the Company's critical accounting judgments and key sources of estimation uncertainty which are also set out in Note 3 thereto.

The financial statements were authorized for issue by the Company's Board of Directors on June 29, 2020.

Going Concern

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Going Concern (continued)

Currently, the Company does not have sufficient working capital, cash inflows and/or adequate financing to continue its operations. The Company is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive operating cash flows. Accordingly, the Company's continued successful operations are dependent on its ability to obtain additional financing. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Company. The Company currently does not have sufficient working capital and cash flows to cover forecasted administrative expenses for 2020. With no assurance that financing will be obtained in 2020, there is material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

IFRS 3 – "Business Combinations"

The Company adopted the amendments to IFRS 3 Business Combinations ("IFRS 3 amendments") as of January 1, 2020. The amendments assist entities in determining whether a transaction should be accounted for as a business combination or as an asset acquisition. Specifically, these amendments:

- Clarify the minimum requirements for a business, whereby at minimum, an input and a substantive process that together significantly contribute to the ability to create output must be present;
- Remove the assessment of whether market participants are capable of replacing any missing elements so that the assessment is based on what has been acquired in its current state and condition, rather than on whether market participants are capable of replacing any missing elements, for example, by integrating the acquired activities and assets;
- Add guidance to help entities assess whether an acquired process is substantive, which requires more persuasive evidence when there are no outputs, because the existence of outputs provides some evidence that the acquired set of activities and assets is a business;
- Narrow the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities; and
- Introduce an optional fair value concentration test that can be applied on a transaction-by-transaction basis, to permit a simplified assessment of whether an acquired set of activities and assets are not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

These amendments had no impact on the condensed interim consolidated financial statements as the Company has had no business acquisitions or asset acquisitions that have occurred subsequent to January 1, 2020.

Amendments to IAS 1 and 8 – "Definition of Materiality"

The Company adopted the amendments to IAS 1 and 8 on January 1, 2020. The amendments provide a new definition of material information that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the condensed interim consolidated financial statements.

3. RECENT DEVELOPMENTS AND IMPACT ON ESTIMATION UNCERTAINTY

On March 11, 2020, the World Health Organization ('WHO") declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus (commonly known as COVID-19). The outbreak and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in global financial markets. The pandemic negatively impacted global commercial activity, including the demand for oil and gas.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. The Company is taking measures to mitigate the broader public health risks associated with COVID-19 for its business and employees, including ensuring employees self-isolate and/or work from home where possible, in line with the recommendations of relevant health authorities. However, due to the outbreak, there may be short-term impacts on the Company's supply chain and planned work programmes in Nigeria. Similarly, government-imposed travel restrictions may impair the ability of certain of the Company's employees, advisers and contractors to deliver their services to the Company, conduct physical inspections, or undertake planned operations. In addition, a volatility and disruption of financial markets associated with the outbreak may adversely impact the Company's ability to obtain financing.

The COVID-19 outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by management in the preparation of its financial results. This situation may continue for the time being and there can be no assurance that it will not cause a material adverse effect on the Company's planned operations and ability to raise sufficient financing for its operation.

4. INVESTMENT IN JOINT VENTURE

The Company currently holds a 50% interest in a jointly controlled entity, ShoreCan, focusing on acquisitions of upstream oil and gas exploration, development and producing assets in sub-Saharan Africa. The determination of ShoreCan as a joint venture was based on ShoreCan's structure through a separate legal entity whereby neither the legal form nor the contractual arrangement give the owners rights to the assets and obligations for the liabilities within the normal course of business, nor does it give the rights to the economic benefits of the assets or responsibility for settling liabilities associated with the arrangement.

The Company and its joint venture partner signed a funding agreement, effective October 24, 2014 (the "Funding Agreement") providing financial support as needed in proportion to its interest (50% each) in ShoreCan for ShoreCan's expenses and obligations. The Funding Agreement does not impose any guarantees from the Company and/or its joint venture partner. Amounts advanced to ShoreCan under the terms of the Funding Agreement are unsecured and payable on or before October 24, 2020 contingent upon ShoreCan generating its own cashflows. Interest is charged monthly at an annual rate of 3.0% above 12 month USD LIBOR.

From time to time the Company or its joint venture partner pay for ShoreCan's general and administrative expenses on behalf of the other partner. As at March 31, 2020, the Company had a receivable from its joint venture partner in respect of overpaid ShoreCan expenses of $0.2 million that is recorded as a long term receivable. The balance is classified as a financial asset carried at amortized cost. The balance is classified as long term as it is not expected to be collected in the next 12 months. The balance is presented on an undiscounted basis as the joint venture agreements do not specify any repayment terms and there are no provisions in the agreements for the payment of interest on outstanding balances.

4. INVESTMENT IN JOINT VENTURE (continued)

Nigeria

On September 13, 2016, ShoreCan closed an acquisition of 80% of the issued share capital of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"), a company which sole asset is a 100% interest in exploration license OPL 226 offshore Nigeria. ShoreCan paid a cash consideration of $0.25 million and as part of the shareholder agreement, ShoreCan has agreed to cover the funding of Essar Nigeria's operations. As a party to a Production Sharing Contract ("PSC") signed with Nigerian National Petroleum Corporation ("NNPC") for OPL 226, Essar Nigeria is required to seek NNPC's consent for the transaction. The respective application has been made and the parties to the transaction are awaiting NNPC's reply. On October 2, 2018, NNPC granted a conditional approval of a twenty four months extension of the Phase-1 exploration period until October 1, 2020. The extension is subject to certain conditions, including submission of a performance bond of $7 million that is required further to the PSC, to cover the Phase-1 exploration period work program at OPL 226. In addition, ShoreCan has committed to invest up to a maximum of $80 million into Essar Nigeria in the form of an interest-free shareholder loan. The funds will be used for Essar Nigeria operations and in particular, to cover work program obligations, including the costs of drilling one well under Phase-1 of the PSC.

In 2017, three ShoreCan representatives were appointed Directors of Essar Nigeria, gaining a majority on the Essar Nigeria board and legal control over Essar Nigeria. ShoreCan has assessed that the transaction does not meet criteria of a business acquisition as Essar Nigeria is in exploration/development stage. ShoreCan assessed the investment based on the fair values of Essar Nigeria's assets and liabilities upon obtaining control over Essar Nigeria. ShoreCan estimated a fair value of the Essar Nigeria loan to its previous parent at $6 million (as compared to the loan face value of $62.7 million as presented in Essar Nigeria audited financial statements as at December 31, 2016) as the shareholding agreement with Essar Nigeria provides for the repayment of this loan from anticipated future production. The loan is an interest free shareholder loan. Non-controlling interest ("NCI"), was recognized at the NCI proportionate share of net assets acquired.

As at the date of filing these financial statements, COPL has not provided any guarantee in respect of obligations, commitments and/or losses of either ShoreCan or Essar Nigeria.

During the three months ended March 31, 2020, the Company and its subsidiaries charged ShoreCan an interest expense of $0.1 million (2019- $0.1 million), $nil for management and technical services (2019 - $0.4 million), including $nil costs that were allocated to exploration and evaluation assets (2019 – $0.1 million).

As at March 31, 2020, the Company had non-current receivables of $12.0 million due from ShoreCan under the terms of the Funding Agreement (December 31, 2019 - $11.8 million).

For the three months ended March 31, 2020, the Company's share of ShoreCan's losses exceeded the Company's Net Investment of $nil for this period ($1,000 for three months ended March 31, 2019). Accordingly, under the equity method, the Company recognized loss on investment in ShoreCan of $nil for the three months ended March 31, 2020 ($1,000 for three months ended March 31, 2019).

Reconciliation of carrying amount of net investment in joint venture:

	2020	2019
Carrying amount – Opening, January 1	**$ -**	$ -
Increases in net investment in joint venture during the period	**-**	1
Loss recognized on investment in joint venture	**-**	(1)
Carrying amount – Ending, March 31	**$ -**	$ -

5. CASH AND CASH EQUIVALENTS

($ 000's)	**March 31, 2020**	December 31, 2019
Cash	**$ 27**	$ 44
Credit card deposits	**18**	31
	$ 45	$ 75

Cash balances earn interest, whenever possible, at floating rates based on daily bank deposit rates.

Credit card deposits are bank deposits that cover the maximum credit limit available for corporate credit cards.

The fair value of cash and cash equivalents was $0.05 million as at March 31, 2020 ($0.08 million as at December 31, 2019). The Company deposits its cash with reputable Canadian and Bermuda banks. The Company did not have any overdraft facilities in place as at March 31, 2020, and December 31, 2019.

6. RIGHT OF USE ASSETS

($ 000's)	**March 31, 2020**	December 31, 2019
Cost, beginning of the period	**$ 312**	$ -
Increase in right-of-use assets	**-**	312
Cost, end of the period	**312**	312
Accumulated depreciation, beginning of the period	**(21)**	-
Depreciation	**(15)**	(21)
Accumulated depreciation, end of the period	**(36)**	(21)
Net carrying amount, beginning of the period	**$ 291**	$ -
Net carrying amount, end of the period	**$ 276**	$ 291

As at March 31, 2019, the Company recorded $0.3 million of right-of-use assets in respect of the office lease that was renewed effective September 1, 2019 (December 31, 2019 - $ 0.3 million). The Company depreciates its right-of-use assets on a straight-line basis over the term of the lease contract of five years.

7. LEASE OBLIGATIONS

The Company's office lease obligations for the period ended March 31, 2020 were as follows:

($ 000's)	**March 31, 2020**	December 31, 2019
Lease liability, beginning of the period	**$ 315**	$ -
Additions	**-**	309
Interest expense	**3**	3
Reduction in lease liability	**(8)**	(6)
Foreign exchange translation	**(27)**	9
Lease liability, end of the period	**283**	315
Current portion	**$ 48**	$ 45
Long-term portion	**$ 235**	$ 270

The Company's lease obligations relate to its office in Calgary, Canada. The lease obligations have been measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate of 3.63% as at March 31, 2020 and December 31, 2019. During the three months period ended March 31, 2020 the Company paid $4,000 of principal and interest. No payments were made during the year ended December 31, 2019 in respect of the above lease.

The Company's previous office leases met the definition of a lease, but were not recognized as lease liabilities as they were exempt under the short-term lease practical expedient. For the three months period ended March 31, 2019, the Company expensed $97,000 in respect of previous office lease that was in place until August 31, 2019.

($ 000's)	**March 31, 2020**	December 31, 2019
Less than 1 year	**$ 58**	$ 56
1-5 years	**251**	289
Total lease payments	**309**	345
Amounts representing interest	**(26)**	(30)
Present value of net lease payments	**283**	315
Less: Current portion	**$ 48**	$ 45
Long-term portion	**$ 235**	$ 270

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

($ 000's)	March 31, 2020	December 31, 2019
Trade payables	**$ 705**	$ 551
Unpaid salaries and directors' fees	**463**	641
Accrued liabilities	**195**	223
Other	**9**	9
Total	**$ 1,372**	$ 1,424

Further to a Board Resolution dated March 26, 2020, the Company waived outstanding directors' fees in the total amount of $0.5 million. Accordingly, for the three months ended March 31, 2020, the Company recognized a gain on waived 2019 directors' fees in the amount $0.4 million and reduced its administrative expenses by $0.1 million in respect of directors' fees related to first quarter of 2020.

9. SHORT-TERM LOAN

On February 14, 2020 (the "Issue Date"), the Company entered into a Promissory Note (the "Note") with Arthur Millholland, President and CEO of the Company, (the "Holder") for a principal amount of Canadian dollar $200,000, equivalent of US$153,000 as at the Issue Date. The Note is repayable by the Company six (6) months from the Issue Date ("Maturity") and bears interest in Canadian dollars at a rate of ten per cent (10%) per annum. No payments of interest or principal amount will be required by the Company prior to Maturity although the Company may elect to prepay a portion or all of the outstanding principal amount of the Note prior to that date. The Note is secured by the Company by way of a General Security Agreement over its present and after acquired personal property and is to be guaranteed by the Company's subsidiaries.

($ 000's)	March 31, 2020
Proceeds from loan	**$ 153**
Accrued interest	**2**
Foreign exchange gain	**(12)**
Total	**$ 143**

An additional short-term loan, secured by the Company subsequent to March 31, 2020, is discussed in Note 13 *Subsequent Events*.

10. SHARE CAPITAL

a) Authorized and Issued Common Shares

Authorized
An unlimited number of common voting shares (the "Common Shares") without nominal or par value and an unlimited number of preferred shares, issuable in series.
Issued
The issued share capital is as follows:

	Number of Common Shares	Amount (000's)
Balance, January 1, 2019	**2,486,752,463**	**$ 136,942**
Issued pursuant to UK June Placing – First Tranche	429,200,000	**545**
Issued pursuant to UK June Placing – Second Tranche	67,800,000	**86**
Issued pursuant to UK September Placing	500,000,000	**618**
Share issue costs	-	**(331)**
Fair value of warrants that expired unexercised (Note 10b)	-	**227**
Balance, December 31, 2019	**3,483,752,463**	**$ 138,087**
Balance, March 31, 2020	**3,483,752,463**	**$ 138,087**

10. SHARE CAPITAL (continued)

b) Warrants

A summary of the Company's share purchase warrants outstanding at March 31, 2020 is as follows:

($ 000's)	Number of Warrants	Weighted Average Exercise Price*	Fair Value of Warrants	Expiry Date
Balance, January 1, 2019	**107,731,380**	**$ 0.006**	**$ 330**	(June 12, 2019 to August 30, 2020)
Issued June 2019 UK Placing Broker's Warrants	4,970,000	**0.0019**	**2**	June 4, 2021
Expired June 2017 Broker's Warrants	(39,000,000)	**0.0064**	**(179)**	June 12, 2019
Issued September 2019 UK Placing Broker's Warrants	5,000,000	**0.0018**	**2**	September 3, 2021
Expired October 2017 Broker's Warrants	(15,000,000)	0.0133	**(48)**	October 16, 2019
Balance, December 31, 2019	**63,701,380**	**$ 0.0040**	**$ 107**	(August 30, 2020 to September 3, 2021)
Balance, March 31, 2020	**63,701,380**	**$ 0.0040**	**$ 107**	(August 30, 2020 to September 3, 2021)

*The weighted average exercise price has been converted in USD based on the foreign exchange rate in effect at the date of issuance

c) Incentive Stock Options

The Company has a stock option plan where the number of Common Shares reserved under the plan shall not exceed 10% of the issued and outstanding Common Shares and the number reserved for any one individual may not exceed 5% of the issued and outstanding shares. Exercise prices for stock options granted are determined by the closing market price on the day before the date of grant.

There were no changes to the Company's stock option plan and no stock options were granted, exercised, expired and/or forfeited during the three months ended March 31, 2020. As at March 31, 2020, a total of 107,405,000 stock options to purchase Common Shares were outstanding, having a weighted average exercise price of $0.04 per share and a remaining weighted average contractual life of 2.02 years.

($ 000's)	Number of Options	Weighted Avg. Exercise Price*	Contributed Capital Reserve
Balance, January 1, 2019	**107,515,000**	**$ 0.04**	**$ 50,394**
Forfeited	(110,000)	0.04	-
Balance and exercisable December 31, 2019	**107,405,000**	**$ 0.04**	**$ 50,394**
Balance and exercisable March 31, 2020	**107,405,000**	**$ 0.04**	**$ 50,394**

*The weighted average exercise price has been converted in USD based on the foreign exchange rate in effect at the date of issuance.

11. FINANCIAL INSTRUMENTS

The Company measures financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Measurement in subsequent periods depends on the financial instrument's classification, as described below.

- Fair value through profit or loss: Financial instruments designated at fair value through profit or loss are initially recognized and subsequently measured at fair value with changes in those fair values immediately charged to the statements of comprehensive income. The Company does not have any financial instruments under this classification.
- Amortized cost: Financial instruments designated as amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include cash, accounts receivable, accounts payable and accrued liabilities.
- Fair value through other comprehensive income: Financial instruments designated as fair value through other comprehensive income are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax. The Company does not have any financial instruments under this classification.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. Expected credit losses exist if one or more loss events occur after initial recognition of the financial asset which has an impact on the estimated future cash flows of the financial asset and that impact can be reliably measured. The Company uses a combination of historical and forward-looking information to determine the appropriate expected credit loss. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognized in general and administrative expenses.

(a) Foreign exchange risk

To mitigate a portion of its exposure and to the extent it is feasible, the Company keeps its funds in currencies applicable to its known short-term obligations.

Cash and cash equivalents includes amounts denominated in the following foreign currencies:

($ 000's)	**March 31, 2020**	December 31, 2019
Great British Pounds	**1**	13
Canadian Dollars	**62**	71

(b) Credit risk

The Company's accounts receivable and long-term receivable include mainly amounts due from its partner in ShoreCan as well as accounts receivable in respect of recoverable GST and VAT. The Company believes there is no unusual exposure associated with these receivables. No amounts are considered to be past due and no allowance for doubtful accounts has been recorded in the accounts. As at March 31, 2020, the Company holds $0.05 million of cash and cash equivalents with Canadian and Bermuda chartered banks (December 31, 2019 - $0.08 million).

(c) Interest rate risk

The Company's policy is to keep its cash, whenever possible, in interest bearing accounts with its banking institutions. The Company periodically monitors the interest rates offered and is satisfied with the credit ratings of its banks.

12. NET CHANGE IN NON-CASH WORKING CAPITAL

($ 000's)	**March 31, 2020**	March 31, 2019
Decrease in accounts receivable	**$ 12**	$ 17
Decrease / (increase) in prepaid expenses	**31**	(59)
(Increase) in long-term accounts receivable	**-**	(1)
Increase in operating accounts payable and accrued liabilities	**379**	249
Net change in operating non-cash working capital	**$ 422**	$ 206
Reduction in lease liability	**(4)**	-
Net change in financing non-cash working capital	**$ (4)**	$ -

13. SUBSEQUENT EVENTS

Loan Agreement

On June 15, 2020, the Company has entered into a loan agreement with YA II PN, Ltd ("YA") and Riverfort Global Opportunities PCC ("RGO" and, together with YA, the "Lenders") for an unsecured facility of £600,000 (the "Loan Agreement"). Pursuant to the terms of the Loan Agreement the Company can draw down £100,000 per month for a period of six months following the date of the Loan Agreement. Each tranche drawdown is repayable in cash six months from the respective drawdown date. The term of the loan is one year. In addition, the each of the Lenders has committed to participate in a future equity placing for £100,000 each provided that any such equity funding is completed on or before August 28, 2020 ("Future Equity Funding"). The Equity Sharing Agreement announced by the Company on April 30 with YA and RGO has been terminated by the parties by mutual consent pursuant to the terms of the Loan Agreement.

Summary of Loan Terms:

- The first drawdown of £100,000 is available to COPL on signing the Loan Agreement. Subsequent monthly drawdowns are available subject to the fulfilment of certain conditions, including completion of £500,000 in Future Equity Funding.
- Loan Agreement costs include £36,000 payable in common shares of the Company to be issued to the Lenders at the price of the Future Equity Funding and a 10% Fixed Coupon is payable on the Loan Agreement amount due at repayment of the first drawdown. COPL has the option to pay the coupon in common shares at the Future Equity Funding price at a fixed rate of 12.5% if paid in common shares.
- The Lenders will be issued common shares purchase warrants, each warrant exercisable into one common share at a strike price to be set at 30% premium to the Future Equity Funding price. Warrants exercised may be set-off against amounts outstanding to the Lenders under the Loan Agreement.
- COPL must complete £500,000 in Future Equity Funding (£200,000 of which will be placed to the Lenders) no later than 28 August 2020 as condition of the Loan; it is otherwise fully repayable on that date.
- In the event of default, common shares of COPL may be issued to satisfy default amounts, and such conversion will be priced at 80% of COPL's trailing 10-day VWAP, five days following the missed payment/default date.

13. SUBSEQUENT EVENTS (continued)

Placings

On June 23, 2020, the Company has entered into agreements for a £700,000 common share placing (the "Placing") with three (3) investors at 0.3 Pence per common share ("Placing Price"). The Company has entered into a non-brokered subscription agreement with an Investor for £500,000 of the Placing, and has agreed to pay a finder's fee of £35,000 cash and 12,500,000 common share purchase warrants exercisable for 24 months at a 30% premium to the Placing Price for this portion of the Placing. In addition, YA and RGO, have committed to participate in the Placing for £100,000 each (as disclosed above) at the Placing Price.

On June 28, 2020, the Company entered into another non-brokered subscription agreement with the Investor for an additional £500,000 common share placing at 0.3 Pence per common share. This subscription is an upsize, or similar, of the above Placing signed on June 23, 2020 with the same Investor. Similar to the above mentioned Placing terms, COPL has agreed to pay to the Investor a finder's fee of £35,000 cash and 12,500,000 common share purchase warrants exercisable for 24 months at a 30% premium to the Placing Price.

Both Placings are conditional on admission of the Placing Shares to trading on the LSE which is anticipated to be on or around July 2, 2020.

The funds from the Loan Agreement and the Placings will be used for the Company's general working capital and will enable the Company to continue focusing on its Nigerian OPL 226 project.

Change in CFO position

On June 5, 2020, Aleksandra Owad stepped down as CFO of the Company and Ryan Gaffney assumed role as Interim CFO effective that day. Mr. Gaffney will be appointed CFO of the Company upon closing of the above mentioned Placing, anticipated on or around July 2, 2020