CANADIAN OVERSEAS PETROLEUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The following is Management's Discussion and Analysis ("MD&A") of the operating and financial results of Canadian Overseas Petroleum Limited, and its wholly owned subsidiaries COPL Technical Services Limited, Canadian Overseas Petroleum (UK) Limited ("COPL UK"), Canadian Overseas Petroleum (Bermuda Holdings) Limited ("COPL Bermuda Holdings"), Canadian Overseas Petroleum (Bermuda) Limited ("COPL Bermuda"), and Canadian Overseas Petroleum (Namibia) Limited ("COPL Namibia"), and Canadian Overseas Petroleum (Ontario) Limited ("COPL Ontario"), (collectively "COPL" or the "Company") as at and for the three and nine month periods ended September 30, 2019. The information is provided as of November 13, 2019. The results for the three and nine month periods ended September 30, 2019 have been compared to the same period of 2018. This MD&A should be read in conjunction with the Company's audited consolidated financial statements as at and for the years ended December 31, 2018 and 2017, together with the accompanying notes and the Annual Information Form of the Company dated March 28, 2019 (the "AIF"). These documents and additional information about COPL are available on the Company's website at www.canoverseas.com and on SEDAR at www.sedar.com.

All amounts are presented in United States dollars ("USD") unless otherwise noted.

BUSINESS OF THE COMPANY – MANAGEMENT

Canadian Overseas Petroleum Limited is a publicly traded oil and gas company listed on the London Stock Exchange ("LSE") in the UK under the symbol "COPL" and the 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.

COPL is an international oil and gas exploration and development company focused mainly on offshore Africa. The Company formed a joint venture company with Shoreline Energy International Limited ("Shoreline"), in line with the Company's strategy to diversify and balance its asset portfolio to generate stable cash flow from secure assets. Both partners hold a 50% interest in the jointly controlled company, Shoreline Canoverseas Petroleum Development Corporation Limited ("ShoreCan"), which was incorporated on October 24, 2014. ShoreCan is focused on acquiring upstream oil and gas exploration, development and producing assets in Africa.

Senior management and strategic corporate functions are performed by COPL's head office in Calgary, and geological, geophysical, engineering, accounting and administrative functions are performed by COPL Technical Services Limited. Some technical and projects related functions are provided by COPL UK. COPL Bermuda Holdings, COPL Bermuda and COPL Namibia (currently dormant) were incorporated to conduct operations in Africa. COPL Ontario was incorporated on December 15, 2017 for the purpose of an anticipated operation in Canada; however, an acquisition project was not successful.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains forward-looking statements relating to future events or future performance. In some cases, forward-looking information and forward-looking statements can be identified by terminology such as "may", "will", "should", "expects", "projects", "plans", "anticipates", "potential", "intend", "believe" and similar expressions. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of COPL. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties, including the business risks discussed in the AIF dated March 28, 2019, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Operating conditions can have a significant effect on the timing of events. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

FORWARD-LOOKING INFORMATION AND STATEMENTS (CONTINUED)

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- the Company's current strategy to establish and grow an oil and gas business (the "Overview and Overall Performance", "Outlook" and "Liquidity and Capital Resources and Going Concern" sections);
- the Company's ability to raise capital and obtain the financing necessary to develop profitable oil operations (the "Overview and Overall Performance", "Outlook", "Share Capital" and "Liquidity and Capital Resources and Going Concern" sections);
- the Company's ability to manage its financial and operational risks (the "Overview and Overall Performance", "Financial Instruments", "Commitments and Contractual Obligations" and "Liquidity and Capital Resources and Going Concern" sections).

The Company's AIF for the year ended December 31, 2018 describes major risks, material assumptions and other factors related to forward-looking information and forward-looking statements that could influence actual results and are incorporated herein by reference. These risks, assumptions and other factors have been provided for readers to gain a more complete perspective on COPL's future operations. However, readers should be cautioned that the list of factors is not exhaustive and that this information may not be appropriate for other purposes. Forward-looking information and forward-looking statements included or incorporated by reference in this MD&A are valid only as at the date of this MD&A, and the Company does not intend to update or revise these forward-looking statements and forward-looking information except as required by applicable securities laws. The forward-looking information and forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

OVERVIEW AND OVERALL PERFORMANCE *

In the third quarter of 2019, management progressed options to finance the Company's continuing operation as well as to obtain funding for Essar Nigeria project. The Company continued to identify, evaluate and pursue exploration and development opportunities in African countries and elsewhere. The Company continues to be focused on opportunities that its seasoned technical team has strength in evaluating and developing.

Expansion of African Portfolio

In October 2014, COPL formed a joint venture company with Shoreline Energy International Limited called Shoreline CanOverseas Petroleum Development Corporation Limited ("ShoreCan"). Both partners hold a 50 percent interest in the jointly controlled company, which is focused on acquiring upstream oil and gas exploration, development and producing assets in Africa. ShoreCan is a special purpose vehicle registered in Bermuda. The following country and project overviews fall under the realm of ShoreCan's dealings.

Nigeria

On September 14, 2016, COPL announced that ShoreCan had completed the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"). Essar Nigeria's sole asset is a 100% interest and operatorship of an oil prospecting license, located about 50 kilometres offshore in the central area of the Niger Delta ("OPL 226"). As a party to a PSC for OPL 226, Essar Nigeria is required to seek Nigerian Government ministerial consent for the transaction.

Application has been made to the appropriate government bodies and the process is in the final stage of being granted ministerial consent for the Essar acquisition. On October 2, 2018, the Nigerian National Petroleum Corporation ("NNPC") granted a conditional approval of a twenty four months extension for 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 Production Sharing Contract ("PSC"), to cover the Phase-1 exploration period work program at OPL 226. ShoreCan is planning to provide security for the Performance Bond underwritten by a Nigerian Bank as required to be provided by Essar Nigeria.

OVERVIEW AND OVERALL PERFORMANCE (CONTINUED) *

Nigeria (continued)

OPL 226 has an area of 1530 km^2 and is situated in water depths ranging from 40 to 180 meters. It offers oil appraisal and development opportunities having near term oil production potential and significant exploration upside. Historically, four of the five wells with oil and gas shows were drilled in 1972 and 1973, however, the most recent fifth well (Noa-1) was an oil discovery drilled in 2001. ShoreCan has completed additional seismic processing of the most recent 568 km^2 3D seismic survey acquired by Essar Nigeria in 2012. The advanced seismic processing techniques, applied to this data set by ShoreCan, were successfully completed to differentiate oil-bearing sands from gas-bearing or water-bearing sands. ShoreCan plans to drill exploitation wells adjacent to the Noa-1 discovery well. At the request of COPL, Netherland, Sewell & Associates, Inc. ("NSAI") prepared an independent report (the "Report") in accordance with Canadian National Instrument 51-101 (the "NI 51-101") evaluating the Contingent and Prospective Resources attributed to OPL 226, as of December 31, 2018. The Contingent and Prospective Resource volumes estimated in the NSAI report are disclosed in the Company's AIF dated March 28, 2019 under Appendix A in accordance with NI 51-101 rules and regulations.

In July 2018, ShoreCan received and agreed to a project financing and offtake agreement term sheet (the "Term Sheet"), providing for a minimum $30 million to a maximum of $50 million Senior Secured Facility (the "Facility"), for investment by ShoreCan into Essar Nigeria from the Mauritius Commercial Bank Limited ("MCB") and Trafigura PTE Ltd. ("Trafigura").

The Facility would provide funding for all production related expenditures following the drilling and testing of the initial production well to be drilled by Essar Nigeria on OPL 226. Drawing on the Facility is contingent on among other things:

- An additional $20 million to $33 million of funding from ShoreCan;
- $100 million funding from an offshore oil services group ("Service Provider") to deliver the project;
- A minimum of 6,000 bbl/d production rate averaged over 20 days; and
- The execution of a formal definitive binding agreement between the parties.

Other material terms of the proposed Facility include the following: two-year term to maturity and a grant to the lenders of $3 million worth of warrants to purchase COPL common shares with a term of two years with an exercise price equal to the market price of the COPL common shares on the date of closing of the Facility.

The project as planned involves the drilling and completion of a horizontal oil production well offsetting the 2001 Noa-1 oil discovery well and the drilling and completion of two (2) to three (3) additional high angle oil production wells in the adjacent Noa East fault block from a common wellhead platform, and placing these wells on production in an approved early production scheme. Essar Nigeria has prepared a work program for this initial campaign on OPL 226 in the form of a field development plan ("FDP") for submission to the Concessionaire, NNPC. Upon request in late December 2018, the Company submitted a comprehensive report entitled "Oil Prospecting License 226, Offshore Nigeria – Exploration Period: Phase I and Phase II Work Program" to the NNPC.

As part of the transaction, the Term Sheet provides for Essar Nigeria to enter into a crude oil offtake arrangement with Trafigura.

Cofarco SAS ("Cofarco") of Paris is engaged as Financial Advisor to the Company for the project financing.

OVERVIEW AND OVERALL PERFORMANCE (CONTINUED) *

Mozambique

In Mozambique, the Company is part of a consortium that was indicatively awarded a prospective onshore license (PT5-B) under the 5th licensing round. COPL's interest in Mozambique will be dependent on successful negotiation of a new Production Sharing Contract (PSC). The consortium will be invited to negotiate with the Government of Mozambique the terms of the PSC governing the block. These terms will include the acquisition of 1600 line km of 2D seismic. According to the Company's Mozambican partner, the Instituto Nacional de Petroléo (INP) has finalized the Exploration Production Concession Contract (EPCC) discussions with successful bidders as part of the Fifth Licensing Round in 2014. On October 8, 2018, the INP announced that it had signed agreements with ExonMobil and Rosneft for offshore blocks in the Rovuma Basin. INP signed an agreement with ENI (Ente Nazionale Idrocarburi) and Sasol for an offshore block in the Northern Zambezi Basin on October 18, 2018. The Company expects to enter into discussions with INP regarding onshore Block PT5-B in 2020. The ExxonMobil EPCC agreed model version will serve as the basis for future negotiations with all companies.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

OUTLOOK *

The Company's strategy is to grow its international oil and gas business offshore Africa and elsewhere in the world by farming into, and/or acquiring interests in, exploration, unappraised and/or undeveloped assets as well as in producing assets using the expertise and experience of its senior management team.

The Company's short-term operations will focus on:

- obtaining funds for the Company's further operation;
- working to progress the project financing for OPL 226 in Nigeria and planning of drill locations of the first well;
- negotiating the terms of the PSC governing the Block PT5-B with the Mozambique government; and
- working to evaluate new opportunities available in Africa.

Currently the Company does not have material cash inflows and/or adequate financing to develop profitable operations. The Company is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive cash flows. Accordingly, the Company's continued successful operation is 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 cash flows to cover forecasted administrative expenses for 2019. With no assurance such financing will be obtained in future, there is material uncertainty that casts substantial doubt on the business' ability to continue as a going concern. All of these factors represent events, risks or uncertainties that management believes will materially affect the Company's future performance.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

FINANCIAL SUMMARY

General and administrative costs were $0.9 million and $3.1 million for the three and nine months ended September 30, 2019, compared to $1.3 million and $3.7 million for the same periods in 2018. There were no pre-license costs incurred for the three and nine months ended September 30, 2019, compared to $0.1 million and $0.5 million for the same period in 2018. Depreciation expenses were $10,000 and $20,000 for the three and nine months ended September 30, 2019, compared to $5,000 and $15,000 for the same periods in 2018. A foreign exchange loss of $78,000 and $74,000 was recognized for the three and nine months ended September 30, 2019, compared to a foreign exchange gain of $14,000 and a loss of $84,000 for the same periods in 2018. Interest income of $nil and $2,000 was recorded for the three and nine months ended September 30, 2019, compared to $3,000 and $9,000 for the same periods in 2018. The loss recognized on the Company's investment in ShoreCan was $nil and $1,000 for the three and nine months ended September 30, 2019, compared to $nil and $13,000 for the same periods in 2018. As a result, the Company's net loss amounted to $1.0 million and $3.2 million for the three and nine months ended September 30, 2019, compared to net loss of $1.4 million and $4.3 million for the three and nine months ended September 30, 2018.

As at September 30, 2019, the Company's cash and cash equivalents amounted to $0.5 million. Cash used in operating activities amounted to $2.5 million for the nine months ended September 30, 2019 compared to $4.2 million for the same period in 2018. Cash provided by financing activities amounted to $1.1 million for the nine months period ended September 30, 2019, compared to $3.6 million for the same period in 2018. Cash used in investing activities amounted to $3,000 for the nine months ended September 30, 2019, compared to $8,000 for the nine months ended September 30, 2018.

SELECTED QUARTERLY INFORMATION

DISCUSSION OF OPERATIONS

The Company has not had significant revenue from operations in any of its last two financial years. The following table summarizes the Company's financial results for the three and nine months ended September 30, 2019 and 2018:

($ 000's) except per share	**Three months ended September 30, 2019**	Three months ended September 30, 2018 Restated*	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018 Restated*
Pre-license costs	**$ -**	$ 130	**$ -**	$ 451
Administrative expenses	**921**	1,272	**3,133**	3,723
Interest income	**-**	(3)	**(2)**	(9)
Foreign exchange loss/(gain)	**78**	(14)	**74**	84
Loss on investment in joint venture	**-**	-	**1**	13
Net loss	**1,009**	1,390	**3,226**	4,277
Per share loss (basic and diluted)	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Outstanding common shares at September 30	***3,483,752,463***	*2,486,752,463*	***3,483,752,463***	*2,486,752,463*
Weighted average common shares - basic	***3,125,056,811***	*1,823,201,589*	***2,742,652,829***	*1,624,259,226*
Cash used in operating activities	**$ 696**	$ 1,989	**$ 2,470**	$ 4,230

Please see "Summary of Quarterly Results" section for a 2018 Restatement.

SELECTED QUARTERLY INFORMATION (CONTINUED)

DISCUSSION OF OPERATIONS (CONTINUED)

Pre-License Costs

The $0.5 million of pre-license costs for the nine months ended September 30, 2018 related to an anticipated project in Ontario, Canada; however, the project was not successful. No pre-license costs were incurred for the nine months ended September 30, 2019.

Administrative Expenses

A breakdown of administrative expenses is as follows:

($ 000's)	**Three months ended September 30, 2019**	Three months ended September 30, 2018	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018
Administrative:				
Payroll and related costs	**$ 397**	$ 461	**$ 1,299**	$ 1,457
External directors' fees and related costs	**107**	109	**339**	369
Consulting services	**95**	117	**305**	316
Professional services	**41**	28	**154**	219
Software licenses and maintenance	**37**	42	**109**	114
Travel expenses	**66**	77	**200**	244
Office expenses	**133**	167	**474**	529
Stock exchanges, transfer agent and UK agents fees	**43**	56	**192**	193
Other general and administrative	**2**	215	**61**	282
Total administrative	**$ 921**	$ 1,272	**$ 3,133**	$ 3,723

Administrative expenses amounted to $1.0 million and $3.1 million for the three and nine months ended September 30, 2019, compared to $1.3 million and $3.7 million for the same period 2018.

The decrease in administrative expenses of $0.3 million for the three months and $0.6 million for the nine months ended September 30, 2019, compared to the same period in 2018 resulted mainly from a decrease in payroll and related costs and travel costs due to lower employment levels in the first nine months of 2019, as well as a decrease in corporate development expenses and lower professional fees (mainly legal fees) for the period.

Depreciation

Depreciation of $10,000 and $20,000 for the three and nine months ended September 30, 2019 ($5,000 and $15,000 for the same periods in 2018) relates to office furniture and equipment and in third quarter of 2019, also includes depreciation of right-of-use assets in respect of the office lease. Depreciation is calculated on a straight line basis over expected useful life of equipment or over the lease term.

Interest Income

Interest income earned was $nil and $2,000 for the three and nine months ended September 30, 2019, compared to $3,000 and $9,000 for the same periods ended September 30, 2018. The interest income relates to interest earned on cash held at banks.

Foreign Exchange Loss / Gain

A foreign exchange loss of $78,000 and $74,000 was recognized for the three and nine months ended September 30, 2019 (compared to a gain of $14,000 and loss of $84,000 for the same periods in 2018), which relates mainly to loss on translation of cash and cash equivalents and accounts payable denominated in currencies other than USD.

SELECTED QUARTERLY INFORMATION (CONTINUED)

DISCUSSION OF OPERATIONS (CONTINUED)

Loss on Investment in Joint Venture

The Company currently holds a 50% interest in a jointly controlled entity, ShoreCan. For the three and nine months ended September 30, 2019, the Company charged ShoreCan $0.4 million and $1.3 million for management and technical services, which were included in ShoreCan's general and administration expenses for the same period. These amounts of revenue were reversed from the Company's revenue and investment in joint venture.

For the three and nine months ended September 30, 2019, the Company's share in ShoreCan's losses of $0.6 million and $1.6 million ($0.5 million and $1.4 million for comparable periods of 2018) exceed the Company's net investment in ShoreCan of $nil and $1,000 for these periods (the three and nine months ended September 30, 2018 - $nil and $13,000). Accordingly, under the equity method, the loss on investment recognized by the Company amounted to $nil and $1,000 for the three and nine months ended September 30, 2019 (the three and nine months ended September 30, 2018 - $nil and $13,000).

COMPARATIVE FINANCIAL POSITION ITEMS

The following table summarizes the Company's financial position as at September 30, 2019 and December 31, 2018:

($ 000's) except per share	**September 30, 2019**	December 31, 2018
Cash and cash equivalents	**$ 484**	$ 1,856
Right of use assets	**304**	-
Total assets	**1,226**	2,419
Current portion of lease liabilities	**33**	-
Long-term lease liabilities	**278**	-
Share capital	**(138,032)**	(136,942)
Shareholders' deficit / (equity)	**$ 139**	$ (2,083)

Economic and industry factors and their respective impact on the Company for the quarter ended September 30, 2019, are substantially unchanged since the year ended December 31, 2018.

Cash and Cash Equivalents

The decrease in cash and cash equivalents of $1.4 million during the first nine months of 2019 relates mainly to cash utilized in operating activities.

Right of Use Assets

As at September 30, 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, compared to $nil as at December 31, 2018. The Company depreciates its right-of-use assets on a straight-line basis over the term of the lease contract of five years.

Investment in joint venture

The Company's investment in joint venture, relates to a 50% share of ShoreCan, the jointly controlled entity and represents a 50% share in ShoreCan's assets and liabilities. As the Company's share of ShoreCan's net liabilities exceeded the Company's net interest in ShoreCan as at September 30, 2019, under the equity method, the Company discontinued recognizing its share of future losses and the carrying amount of the investment in the jointly controlled entity was $nil as at September 30, 2019 ($nil as at December 31, 2018). Investment in ShoreCan is further discussed in section "Commitments and Contractual Obligations".

SELECTED QUARTERLY INFORMATION (CONTINUED)

COMPARATIVE FINANCIAL POSITION ITEMS (CONTINUED)

Total Assets

Total assets decreased by $1.2 million from $2.4 million as at December 31, 2018 to $1.2 million as at September 30, 2019. This decrease is mainly a result of a decrease in cash and cash equivalents that were utilized in operating activities, partially offset by the right-of-use assets recognised in respect of the office lease.

Lease Liabilities

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 September 30, 2019. No payments of principal or interest were made in the three and nine month periods ended September 30, 2019 related to 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 and nine months periods ended September 30, 2019, the Company expensed $63,000 and $241,000, respectively.

Shareholders' Equity

The decrease in shareholders' equity of $2.2 million from $2.1 million as at December 31, 2018 to a deficit of $0.1 million as at September 30, 2019 relates to:

- comprehensive loss of $3.1 million for the nine months ended September 30, 2019, and
- an increase in share capital of $0.9 million as a result of common shares issued further to equity financing closed in June 2019 and September 2019 of $1.2 million, net of share issue costs of $0.3 million.

As at September 30, 2019 and November 13, 2019 the Company has 3,483,752,463 Common Shares issued and outstanding.

SHARE CAPITAL *

The Company is authorized to issue an unlimited number of common and preferred shares.

On June 5, 2019, the Company closed a first tranche of a placing in the UK of 429,200,000 Common Shares at a price of GBP 0.001 ($0.0013) for gross proceeds of GBP 0.4 million ($0.5 million) (the "UK June Placing – First Tranche"). On June 24, 2019, the Company closed a second tranche of the same placing of 67,800,000 Common Shares at a price of GBP 0.001 ($0.0013) for gross proceeds of GBP 0.07 million ($0.09 million) (the "UK June Placing – Second Tranche"). The broker was paid a cash commission of GBP 0.03 million ($0.04 million) representing 6.0% of the gross proceeds of the UK June Placing. Other expenses (mainly legal, stock exchange and regulatory fees) amounted to approximately GBP 0.2 million ($0.2 million). The Company used net proceeds from the UK June Placing of approximately $0.4 million to finance its administrative expenses.

In connection with the UK June Placing, the Company also issued 4,970,000 warrants to its broker (the "June 2019 Broker's Warrants") as compensation warrants. Each June 2019 Broker's Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of GBP 0.0015 ($0.0019) per Common Share on or before June 4, 2021. The fair value of the June 2019 Broker's Warrants estimated at $2,000 (using a Black-Scholes option pricing model) was recognized as equity and netted against proceeds from UK June Placing (as share issue costs).

SHARE CAPITAL (CONTINUED) *

On September 4, 2019, the Company closed another placing in the UK of 500,000,000 Common Shares at a price of GBP 0.001 ($0.0012) for gross proceeds of GBP 0.5 million ($0.6 million) (the "UK September Placing"). The broker was paid a cash commission of GBP 0.03 million ($0.04 million) representing 6.0% of the gross proceeds of the UK September Placing. Other expenses (mainly legal and stock exchange fees) amounted to approximately GBP 0.05 million ($0.06 million). The Company is using net proceeds from the UK September Placing of approximately $0.5 million to finance its administrative expenses.

In connection with the UK September Placing, the Company also issued 5,000,000 warrants to its broker (the "September 2019 Broker's Warrants") as compensation warrants. Each September 2019 Broker's Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of GBP 0.0015 ($0.0018) per Common Share on or before September 3, 2021. The fair value of the September 2019 Broker's Warrants estimated at $2,000 (using a Black-Scholes option pricing model) was recognized as equity and netted against proceeds from UK September Placing (as share issue costs).

As at September 30, 2019, the Company had the following issued and outstanding securities:

- 3,483,752,463 Common Shares;
- 73,701,380 share purchase Brokers' Warrants issued and outstanding to purchase Common Shares with a weighted average exercise price of $0.006 per share and a remaining contractual life of one month to twenty three months; and
- 107,405,000 stock options issued and outstanding to purchase Common Shares with a weighted average exercise price of $0.04 per Common Share and a remaining contractual life of one year and seven months to three years and two months.

During nine months of 2019, there were no Warrants exercised and 39,000,000 Warrants expired unexercised. Also, there were no stock options granted, exercised and/or expired and 110,000 stock options were forfeited during the nine months ended September 30, 2019.

Subsequent to quarter-end, on October 16, 2019, 15,000,000 Broker's Warrants that were issued in 2017 expired unexercised.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

SUMMARY OF QUARTERLY RESULTS

Restated Quarterly 2018 Comparatives

In connection with UK share placings, the Company issues Broker's Warrants (the "Warrants"). The value of the Warrants is determined using Black Scholes and in years prior to 2018 was recorded as a derivative liability. In fourth quarter of 2018, the Company reclassified (effective January 1, 2018) the derivative liability related to the Warrants to equity as the Warrants were issued in exchange for services and should be accounted for under IFRS 2. The 2017 amounts have not been restated as the amounts are not material. Under the previous classification, the derivative liability was revalued in each reporting period through the income statement as a derivative gain or loss. The change in accounting treatment results in an impact to the statement of comprehensive loss to account for the derivative gain (a portion of which was attributable to foreign exchange).

SUMMARY OF QUARTERLY RESULTS (CONTINUED)

Restated Quarterly 2018 Comparatives (continued)

The impact of the Warrants reclassification on 2018 quarterly statement of loss is as follows:

Three months ended ($ 000's)	March 31, 2018 Reported	**March 31, 2018 Restated**	June 30, 2018 Reported	**June 30, 2018 Restated**	September 30, 2018 Reported	**September 30, 2018 Restated**
Pre-license costs	$ 321	**$ 321**	$ -	**$ -**	$ 130	**$ 130**
Administrative expenses	1,254	**1,254**	1,197	**1,197**	1,272	**1,272**
Depreciation	5	**5**	5	**5**	5	**5**
Interest income	-	**-**	(6)	**(6)**	(3)	**(3)**
Derivative gain	(94)	**-**	(34)	**-**	(130)	**-**
Foreign exchange loss / (gain)	(42)	**(51)**	139	**149**	(14)	**(14)**
Loss on investment in joint venture	-	**-**	13	**13**	-	**-**
Net loss	1,444	**1,529**	1,314	**1,358**	1,260	**1,390**

The impact of the Warrants reclassification on financial position as at 2018 quarter-ends is as follows:

As at ($ 000's)	March 31, 2018 Reported	**March 31, 2018 Restated**	June 30, 2018 Reported	**June 30, 2018 Restated**	September 30, 2018 Reported	**September 30, 2018 Restated**
Total Assets	$ 3,642	**$ 3,642**	$ 2,223	**$ 2,223**	$ 3,970	**$ 3,970**
Current liabilities	1,838	**1,838**	1,594	**1,594**	1,300	**1,300**
Derivative liability	142	**-**	98	**-**	71	**-**
Shareholders' Equity:						
Share capital	133,650	**133,650**	133,650	**133,650**	136,948	**136,948**
Warrants	-	**227**	-	**227**	-	**330**
Contributed capital reserve	50,394	**50,394**	50,394	**50,394**	50,394	**50,394**
Deficit	(180,039)	**(180,124)**	(181,353)	**(181,482)**	(182,613)	**(182,872)**
Accumulated other comprehensive loss	(2,343)	**(2,343)**	(2,160)	**(2,160)**	(2,130)	**(2,130)**
Total liabilities and equity	3,642	**3,642**	2,223	**2,223**	3,970	**3,970**

Eight most recent quarters:

($ 000's)	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
Revenue	-	-	-	-
Interest income	-	1	1	2
Net loss	(1,009)	(1,091)	(1,126)	(639)
Loss per share - basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)

($ 000's)	**September 30, 2018 Restated**	**June 30, 2018 Restated**	**March 31, 2018 Restated**	**December 31, 2017**
Revenue	-	-	-	-
Interest income	3	6	-	1
Net loss	(1,390)	(1,358)	(1,529)	(1,157)
Loss per share - basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)

SUMMARY OF QUARTERLY RESULTS (CONTINUED)

The revenue in all quarters consists of interest income earned on cash balances held at banks.

Significant fluctuations in the Company's quarterly net results during 2018 and 2017 were mainly due to non-cash items recorded during some quarters in respect of gain on derecognition of accounts payable, stock-based compensation and changes in derivatives valuation as follows:

($ 000's)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Gain on derecognition of accounts payable	-	-	-	744
Share-based compensation	-	-	-	-
Derivative (loss) / gain	-	-	-	-

($ 000's)	September 30, 2018 Restated	June 30, 2018 Restated	March 31, 2018 Restated	December 31, 2017
Gain on derecognition of accounts payable	-	-	-	-
Share-based compensation	-	-	-	(283)
Derivative (loss) / gain	-	-	-	551

During the fourth quarter of 2018, the Company recorded a gain on derecognition of a joint venture payable in the amount of $ 0.7 million related to a former 2011/2012 exploration project in UK. This amount, originally in dispute, was never challenged by the joint venture partner, and the six years statute barred time frame, applicable in the UK, expired in 2018.

The stock-based compensation was recognized in fourth quarter of 2017, in respect of stock options granted during that period.

Derivative gain and loss in the fourth quarter of 2017 represented a change in valuation of the Company's Brokers' Warrants that were recognized as derivative financial instruments. In 2018, the Company reclassified the value of those Warrants to equity; accordingly there were no derivative gain/losses recognized in 2018 and 2019.

Quarterly administrative expenses were $1.3 million for the first and third quarter of 2018 compared to $1.2 million for the first quarter of 2019, second and fourth quarter of 2018, $1.1 million for the fourth quarter of 2017 and $1.0 million for the second and third quarter of 2019. A variation of administrative cost between of $1.0-$1.3 million per quarter is a reflection of employment level as well as professional fees and corporate development expenses.

FINANCIAL INSTRUMENTS*

The Company's financial instruments consist of cash, short-term deposits, credit card deposits, accounts receivable, as well as accounts payable and accrued liabilities. It is management's opinion that the Company is not currently exposed to significant interest and/or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying value.

To mitigate a portion of foreign exchange risk exposure and to the extent it is feasible, the Company keeps its funds in currencies applicable to its known short-term commitments. No assurance can be given that such management of risk exposure will offset and/or eliminate the foreign exchange loss/gain fluctuations.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

COMMITMENTS AND CONTRACTUAL OBLIGATIONS*

As at September 30, 2019, the Company has the following commitments:

ShoreCan's Commitments

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 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 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 Septemer 30, 2019, the Company had a receivable from its joint venture partner in respect of overpaid ShoreCan expenses of $0.2 million ($0.2 million as at December 31, 2018) that is recorded as a long-term receivable.

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 located in 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 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.

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. On October 2, 2018, NNPC granted a conditional approval of a twenty four months extension for 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. ShoreCan is planning to provide security for the Performance Bond underwritten by a Nigerian Bank as required to be provided by Essar Nigeria.

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. A non-controlling interest ("NCI"), was recognized at the NCI proportionate share of net assets acquired.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (CONTINUED)*

ShoreCan's Commitments (continued)

ShoreCan and Essar Exploration and Production Limited, Mauritius ("Essar Mauritius"), the company that owns 20% of Essar Nigeria shares, are currently in dispute about whether the other party is in compliance with its obligations under the Essar Nigeria Shareholders Agreement. Essar Mauritius asserted that ShoreCan has not commenced funding of the US$80 million agreed cumulative funding in Essar Nigeria. ShoreCan has denied the claim and produced evidence of substantial expenditure to date. ShoreCan also alleged that any delay in securing mainstream long-term project funding is due in part to the failures of Essar Mauritius to comply with its obligations under the Essar Nigeria Shareholders Agreement. The Essar Nigeria Shareholders Agreement contains a dispute resolution process which ShoreCan has sought unsuccessfully to invoke. As at the date hereof, Essar Mauritius has not sought to terminate the Essar Nigeria Shareholders Agreement and no formal proceedings have been commenced by either party. As such, there has been no quantifiable impact to the Company's working capital or its operations. ShoreCan will vigorously contest any action by Essar Mauritius to terminate the Essar Nigeria Shareholders Agreement in the English courts which have jurisdiction over any formal dispute. The directors are of the belief that ShoreCan has several valid defences and counterclaims to any such action.

Essar Nigeria – Agamore Farm In

In 2010, Essar Nigeria entered into a Farm In Agreement (the "Farm In Agreement") with Agamore Energy Limited ("Agamore"), a private Nigerian company. Under the terms of the Agreement, Agamore was to receive a 37% participating interest in OPL 226 in return for the provision of certain services. Approval was sought from the Nigerian authorities for the transfer of the 37% interest to Agamore but it was declined on two occasions, given that: (i) Agamore did not provide the services to Essar Nigeria; and (ii) Essar Nigeria formed the view that Agamore was in material breach of the Farm-In Agreement. In March 2017, by way of written resolution, the directors of Essar Nigeria resolved to give to Agamore a formal notice of termination of the Farm-In Agreement.

On May 7, 2018, Essar Nigeria received information that, notwithstanding that the Farm-In Agreement provided for disputes to be pursued by way of arbitration held in London, Agamore had brought an action in the Nigerian courts against Essar Nigeria, ShoreCan (including two of ShoreCan's directors), the NNPC and the Nigerian Department of Petroleum Resources ("DPR"). In the summons filed, Agamore sought various declaratory orders and injunctions but did not seek any financial quantum of damages other than for costs incurred in relation to the litigation. Accordingly, the potential claim cannot be quantified. Essar Nigeria, ShoreCan and the Company consider the action to be without merit.

The claim was initially heard on June 5, 2018 where Agamore failed to appear. The claim was continued on June 29, 2018 where Agamore appeared but the case was again extended to September 5, 2018 as the judge noted a technical failure on part of Agamore to serve the action properly on one or more of the defendants. The NNPC and DPR have requested ShoreCan's lawyers represent them to seek dismissal of the action. On September 25, 2018, the case was again called in court with an objection to Shorecan's lawyers representing the NNPC and DPR and also with a motion to enjoin Canadian Overseas Petroleum Limited and the third Shorecan director of Essar Nigeria to the action. The case was continued to December 17, 2018 for the hearing of the motions including those recently enrolled. On March 7, 2019, the Court heard an application filed by Agamore's lawyers to disqualify the barrister from representing the fourth and fifth defendants. Counsel for ShoreCan responded claiming the motion had no evidential basis. The Court refused such disqualification during the hearing held on April 17, 2019. The defendants' objection to jurisdiction was adjourned to May 23, 2019. On May 23rd, 2019, COPL was informed by local counsel that the plaintiff had appealed to the Nigerian Court of Appeal the decision to refuse the disqualification order. The Nigerian High Court has adjourned the case in the meantime, as the Court of Appeal has superior jurisdiction. No time has yet been set for the appeal hearing. With all defendants including the Nigerian governmental agencies considering the action to be ill-founded, Essar Nigeria remains confident that the action will be dismissed in due course.

As at the date of filing this MD&A, COPL has not provided any guarantee in respect of obligations, commitments and/or losses of either ShoreCan or Essar Nigeria.

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LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN *

As of September 30, 2019, the Company had a working capital deficit of approximately $0.4 million, cash and cash equivalents of $0.5 million and shareholders' deficit of $0.1 million.

For the nine months ended September 30, 2019, the Company's cash used in operating activities amounted to $2.5 million (compared to $4.2 million for the nine months ended September 30, 2018) and cash used in investing activities amounted to $3,000 for the nine months ended September 30, 2019 (compared to $8,000 for the same period in 2018).

Cash provided by financing activities amounted to $1.1 million for the nine months ended September 30, 2019 ($3.6 million for the same period in 2018) and related to gross proceeds from the UK Placing closed in June 2019 and September 2019. The Company is using these proceeds to finance its general and administrative expenses.

The Company currently does not have sufficient working capital to cover forecasted administrative expenses for 2019. The Company does not have material cash inflows and/or adequate financing to develop profitable operations. The Company is pursuing exploration projects that, if successful, will require substantial additional financing before they are able to generate positive cash flows. Accordingly, the Company's planned growth and future development activities 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.

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ACCOUNTING PRONOUNCEMENTS

Critical Accounting Estimates

The preparation of the financial statements in accordance with IFRS requires the Company to make estimates, assumptions and judgements in applying the Company's accounting policies and practices, which may have a significant impact on the financial results reported by the Company. Actual results could differ from estimated amounts, and those differences may be material. A comprehensive discussion of the Company's significant policies and critical accounting estimates is contained in the audited consolidated financial statements for the years ended December 31, 2018 and 2017.

Adoption of IFRS 16 - "Leases"

On January 1, 2019, the Company adopted IFRS 16 "Leases", which replaced IAS 17 "Leases". IFRS 16 eliminates the distinction between operating and financing leases and provides a single lessee accounting model that requires the lessee to recognize assets and liabilities for all leases on its balance sheet. Under IFRS 16, lessees must recognize a lease liability and a right-of-use asset for virtually all lease contracts. An optional exemption to recognize certain short-term leases and leases of low value can be applied by lessees. Leases to explore for or use oil or natural gas are specifically excluded from the scope of IFRS 16. For the lessor, the accounting remains essentially unchanged.

The Company has elected to adopt IFRS 16 using the modified retrospective approach on transition. Comparative information has not been restated and is reported under IAS 17. No leases met the criteria for recognition under IFRS 16 at January 1, 2019. The Company has used the following practical expedient as permitted by the standard:
- Exemption for short-term leases that have a remaining lease term of less than 12 months as at January 1, 2019 and low value leases.

ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Adoption of IFRS 16 - "Leases" (continued)

Leases are recognized as right-of-use ("ROU") assets and a corresponding lease liability at the date on which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments. The leases have been measured at the present value of the lease payments, discounted using the Company's incremental borrowing rates at the date on which the leased asset is available for use. The incremental borrowing rate as at September 1, 2019 for the Company's office lease in Calgary, Canada was estimated at 3.63%.

Lease payments are allocated between the liability and finance costs. The finance cost is charged to net earnings over the lease term. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the asset or is recorded in the consolidated statements of comprehensive loss if the carrying amount of the asset has been reduced to zero.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability, and is depreciated, on a straight-line basis, over the lease term. The asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

In applying IFRS 16, the Company has applied the practical expedient identified in the standard in which short-term leases and leases of low-value assets are not recognized on the balance sheet and lease payments are instead recognized in the financial statements as incurred.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures ("DC&P"), or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Management of COPL, including the Chief Executive Officer and Chief Financial Officer evaluate the effectiveness of the Company's DC&P annually.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"). They have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework the Company's officers used to design the Company's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations.

No material changes in the Company's ICFR were identified during the nine month period ended September 30, 2019, that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

It should be noted that a control system, including the Company's disclosure and internal controls procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected the disclosure and internal control procedures will prevent all errors or fraud. In reaching a reasonable level of assurance, management necessarily is required to apply its judgment in evaluating the cost/benefit relationship of possible controls and procedures.

DIRECTORS

Arthur S. Millholland - President and Chief Executive Officer
Harald Ludwig
Massimo Carello
Viscount William Astor
John Cowan

OFFICERS

Arthur S. Millholland, P.Geol. - President and Chief Executive Officer
Aleksandra Owad, CPA, CGA, FCCA (UK) - Chief Financial Officer
Rod Christensen, P.Geol. - Vice President, Exploration and Exploitation
Richard Mays, LL.B. (Hons), LL.M., Ph.D. - Vice President, Business Development and General Counsel
Faralee A. Chanin, LL.B., M.B.A. - Corporate Secretary