



Canadian Overseas Petroleum Limited Announcement of Secured Loan Facility to Progress OPL 226 Project

Calgary, Canada, February 21, 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 announced it has entered into a Promissory Note, effective 14 February 2020 (the "Issue Date"), with Arthur Millholland, President and CEO of the Company, (the "Holder") for a principal amount of CAD\$200,000 (the "Note"). The Note is repayable by the Company six (6) months from the Issue Date 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.

- **Promissory Note agreement with Arthur Millholland, President and CEO, raising CAD\$200,000**
- **Immediate funds will enable the company to continue discussions with investors and service providers with a view to commence drilling of the first appraisal well at OPL 226 in 2020**

Arthur Millholland, President and CEO, commented: *"This loan, which reflects my confidence in the company, will generate the necessary funds so we can conclude the additional financing measures needed to commence appraisal drilling of OPL 226 within our targeted timeframe of 2020. Together with our joint venture partner we continue to be focused on concluding the placement of the OPL 226 Performance Bond by our Nigerian affiliate and progressing the operational plan for the commencement of operations."*

The Company intends to use the net proceeds of the Loan Facility for general working capital and primarily for the progression of its development and financing plans for the OPL 226 project.

The Company is currently in discussions with strategic investors as well as global service providers to secure financing for the placement of the OPL 226 Performance Bond and



for the provision of services for the early production scheme and other project financing costs.

COPL plans to drill the first appraisal well at OPL 226 during 2020, subject to financing and regulatory approvals, and place it in production through an Extended Well Test ("EWT") utilising an Early Production System ("EPS"). This is intended to be followed by the drilling of two to three additional similar wells on the prolific NOA Structure. This phase of the project would precede a full field development plan, to be implemented following OML conversion.

The Company's key asset is OPL 226 offshore Nigeria held by its Nigerian affiliate. COPL's current intention is to eventually bring three to four appraisal wells at OPL 226 onto production at a forecast rate of 6-10,000 bpd per well.

About the Company:

The Company is actively pursuing opportunities in Nigeria and sub-Saharan Africa in partnership with Shoreline Energy International Limited ("**Shoreline**") as part of its strategy to generate stable cash flow from secure offshore and onshore assets. The Company and Shoreline, through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("**ShoreCan**"), have acquired 80% of the share capital and have taken over the management of Essar Exploration and Production Limited (Nigeria) ("**Nigerian Affiliate**" or the "**Affiliate**"). The Company's Nigerian Affiliate has applied to the concessionaire NNPC for formal consent to the change in control of the Nigerian Affiliate. The Affiliate holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. Drilling of the first appraisal well is planned to commence in 2020. ShoreCan is continuing building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and has been indicatively awarded an exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

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

This news release contains forward-looking statements. The use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for 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.

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