



Canadian Overseas Petroleum Limited Announces Atomic Acquisition Update and Additional £3,000,000 Placing

Calgary, Canada & London, United Kingdom, January 8, 2021 - Canadian Overseas Petroleum Limited ("COPL" or the "Company") (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on sub-Saharan Africa, today announces that:

- The Company has paid **US\$8 million** (the "Funds") to Atomic Oil & Gas LLC ("Atomic") as the second payment to Atomic pursuant to the Company's acquisition of Atomic as disclosed in the Company's announcement on December 16, 2020. The Funds will secure the purchase of 15% of Atomic's working interest in all of Atomic's leasehold interests. In the event of non-completion, COPL would retain this interest.
- COPL has closed a follow-on non-brokered private placement to raise additional gross proceeds of **£3,000,000** (the "Subsequent Fundraise") subsequent to the **£6,000,000** placing announced by the Company on December 30, 2020 (the "Fundraise" together with the Subsequent Fundraise being the "Placing"). The Subsequent Fundraise of Units with institutional investors and high net worth private investors was completed on the same terms as the Fundraise outlined in the Company's announcement of December 30, 2020. The total gross proceeds of the non-brokered private placement of Units under the Placing is **£9,000,000** (US\$12,200,000).

The net proceeds from the Placing will be used for the acquisition of Atomic as announced by the Company on December 16, 2020, other expenditures related to the Atomic acquisition, and for general corporate purposes.

Following the Placing, and including the common shares issued pursuant to the finder's fees, the Company will have a total of 9,657,246,472 Common Shares issued and outstanding. There are no Common Shares held in treasury and therefore the total number of voting rights in the Company is 9,657,246,472. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Arthur Millholland, President and CEO, commented: "The \$8 million payment to Atomic announced today is the first milestone achieved to complete the overall acquisition. The quality of the assets we will acquire under the Atomic acquisition speaks volumes to our ability to access the equity markets and to fully conclude the Placing entered into during the difficult Holiday period."

Ryan Gaffney, CFO, added: "The closing of both portions of the Placing will allow the Company to progress the Atomic acquisition. COPL's access to the equity markets has provided much confidence to debt investors with whom we are in discussions with to provide the balance of funds required to





complete the transaction. We are targeting the receipt of binding Term Sheets from the targeted investors in the near term thus allowing COPL to progress to completion.”

About the Company:

The Company is actively pursuing opportunities in the United States through the acquisition of Atomic Oil and Gas LLC, and in sub-Saharan Africa. In Nigeria, in partnership with Shoreline Energy International Limited ("Shoreline") and through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan"), COPL and Shoreline currently hold 80% of the share capital and have taken over the management of Essar Exploration and Production Limited (Nigeria) ("Nigerian Affiliate" or the "Affiliate"). On August 4, 2020, the Company announced that the shareholders of the Nigerian Affiliate had executed definitive agreements to resolve their longstanding disputes. Completion is ongoing, and when completed ShoreCan's shareholding in the Affiliate will change in accordance to the terms outlined in the Press Release. The Affiliate holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. In other ventures, ShoreCan has been indicatively awarded an exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

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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.