



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum £3 million Common Share Offering Admitted to Trading and the Intention to Seek a Listing on the CSE Exchange

Calgary, Canada, August 31, 2018 - - Further to the announcement dated 17 August 2018, Canadian Overseas Petroleum Limited (the "**Company**") (TSXV: XOP) (LSE: COPL) announces the admission (the "**New Share Admission**") to the standard listing segment of the Official List maintained by the *Financial Conduct Authority*, and to trading on the main market for listed securities of London Stock Exchange plc (the "**London Stock Exchange**"), of 895,523,000 new common shares of no par value in the capital of the Company (the "**New Shares**"). Following the New Share Admission, the share capital of the Company will be made up of 2,418,622,350 common shares (the "**Common Shares**"). The New Share Admission is expected to become effective at 8:00 a.m. (London time) today, 31 August 2018.

The New Shares (via Depositary Interests through CREST) will be freely transferable on the main market of the London Stock Exchange. However, there is a temporary restriction on the transfer of such New Shares, in that such shares cannot be transferred through CREST to the Company's Canadian share register for a period of four (4) months and one (1) day from the date the shares are issued.

In connection with the New Shares issued pursuant to a placing announced on 17 August 2018 (the "**Placing**"), the Company paid a commission to Shore Capital Stockbrokers Limited ("**SCS**") of 6.0% of the gross proceeds and granted SCS 53,731,380 warrants to subscribe for new Common Shares ("**Broker Warrants**"), with an exercise price of 0.335 pence (£0.00335) per Broker Warrant for a period of 24 months ending at midnight on 30 August 2020.

As previously announced, management and insiders are expected to subscribe for common shares at the Placing price in a transaction that should close by the end of next week for an additional £100,000 of proceeds to the Company.

Listing on the CSE Exchange

In addition, the Company is pleased to announce that we have chosen to forgo an imminent share consolidation that has been required by the TSX Venture Exchange in accordance with its rules prohibiting share issuances for less than \$0.05 per share. Instead, the Company intends to delist from the TSX Venture Exchange and apply for a listing on the CSE Exchange where there is more lenience concerning consolidations and lower costs generally. The CSE was recognized as a stock exchange by the Ontario Securities Commission in 2004 and has experienced dramatic growth in



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listings ever since. The timing for the switch is expected to be sometime this fall, subject to the receipt of all necessary approvals.

Arthur Millholland, President and CEO added: "The CSE has earned the reputation of being an exchange for entrepreneurs, largely due to their openness in listing emerging industries, their personal touch and offering significant cost savings to issuers at the same time. There are times when share consolidations are necessary - but it is clearly not now."

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any sale of the Common Shares and/or Warrants in any jurisdiction in which such offer, solicitation or sale may be unlawful. The Common Shares and Warrants have not been and will not be registered under the 1933 Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act and applicable U.S. state securities laws.

Capitalised terms used in the Prospectus shall, unless the context provides otherwise, have the same meaning in this announcement.

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) ("Essar Nigeria"). ShoreCan has applied to the concessionaire NNPC for formal consent for the change in control of Essar Nigeria. Essar Nigeria 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 2018. ShoreCan continues building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and the Company and Shoreline have been awarded the PT-5b exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

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

For further information, please contact:



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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 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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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