



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Affiliate Launches Foreclosure Proceedings Against Cuda Energy LLC

London, United Kingdom; Calgary, Canada: August 13, 2021 – Canadian Overseas Petroleum Limited (“**COPL**” or the “**Company**”) (**XOP: CSE**) & (**COPL: LSE**), an international oil and gas exploration, production and development company with production and development operations focused in Converse and Natrona Counties, Wyoming, USA, announces that its affiliate Southwestern Production Corp. (“**Southwestern**”), operator of the Barron Flats Shannon Miscible Flood Unit (the “**Barron Flats Unit**”), has filed a law suit in the State Court of Wyoming, Converse County, against the following named defendants: Cuda Energy LLC (“**Cuda**”), a wholly owned subsidiary of Cuda Oil and Gas Inc. (**CUDA:TSXV**), Bridging Finance, Inc. (“**Bridging**”), and Tallinn Capital Energy L.P. (“**Tallinn**”), to seek a Judicial Foreclosure on Cuda’s non operated working interest in the Barron Flats Unit.

On July 8, 2021 Southwestern filed a Statutory Lien in the State of Wyoming, Converse County against Cuda’s interest in the Barron Flats Unit in the amount of US\$1,929,746.48. This amount represents the cumulative operating arrears of Cuda for the month ending May 31, 2021 as reflected on Cuda’s June 30, 2021 Joint Interest Billings.

On July 26, 2021 Southwestern filed a Claim (the “**Claim**”) in the Eighth Judicial District Court, State of Wyoming as Plaintiff against Cuda, Bridging, and Tallinn as defendants. Southwestern’s Claim seeks the following heads of relief: a judicial foreclosure order against the defendants of the Southwestern Liens on Cuda’s interest in the Unit; an award of damages for breach of contract by Cuda; a quantum meruit or unjust enrichment judgment against Cuda; damages for a breach of promissory estoppel against Cuda; and a declaratory judgment as to the lien priority against Bridging and Tallinn to affirm Southwestern’s first lien priority on Cuda’s security against the Barron Flats Unit. Cuda received a copy of the Court Stamped Claim by email on July 27, 2021 and subsequently accepted service of the Claim on August 12, 2021.

Cuda’s current cumulative operating arrears owed to Southwestern for the month ending June 30, 2021 amounts to US\$2,495,172.68 as reflected on Cuda’s July 2021 Joint Interest Billings. It is noted that the Claim against Cuda will be subsequently amended to reflect Cuda’s ongoing cumulative arrears, and any further resulting damages.



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Arthur Millholland, President & CEO, commented:

“It is unfortunate that our Southwestern affiliate has had to resort to this action against Cuda, as their interest in the Barron Flats Shannon Miscible Unit is the principal asset of Cuda Oil and Gas Inc. Regrettably, it appears Cuda Oil and Gas Inc. are insolvent, and this is the fundamental cause of the issue. We and our advisors have had ongoing discussions with the Management and certain Independent Directors of Cuda Oil and Gas Inc., the parent of Cuda, and their other secured creditors, bridging through their Receiver, PwC Canada, and Tallinn to actively resolve this current issue and to address similar ongoing issues that we foresee with Cuda’s continued participation in the Barron Flats Unit. The action we have undertaken in the Wyoming State Court is a measure of our frustration as to the direction of the discussions that we have had to date with Cuda’s parent Cuda Oil and Gas Inc. and its creditors in order to find an amicable resolution. Thus we have deemed the commencement of legal proceedings necessary to protect the ongoing interests of Southwestern”.

A copy of the Claim and the Waiver and Acceptance of Service can be viewed under the Company’s name at www.sedar.com.

About the Company:

COPL is an international oil and gas exploration, development and production company actively pursuing opportunities in the United States with operations in Converse County Wyoming, and in sub-Saharan Africa through its ShoreCan joint venture company in Nigeria, and independently in other countries.

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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 operations, delays or changes in plans with respect to exploration or development Units 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 Unitions 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.



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