

Canadian Overseas Petroleum Reports Q2 2021 Results and Operations Update

London, United Kingdom; Calgary, Canada: September 1, 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 County, Wyoming, USA, announces its results as at and for the three months ending June 30, 2021 and operations update as of August 31, 2021.

Operating Highlights at August 31, 2021 from the August 17, 2021 Update

- COPL’s Wyoming assets continue to perform significantly ahead of expectation
 - **Current** Oil Production at August 31st is 2,720 **bbl./d** (gross), **1,604 bbl./d** (net) a **24%** increase from the operations update on August 17th, and an increase of **123%** from 1,220bbl/d (gross), 706 bbl./d (net) at April 1st
 - **Successful** recompletion of the 3rd marginal/shut-in oil well of 12 at Cole Creek
 - **Oil discovery** at the 100% working interest Barron Flats Federal Unit (Deep) exploratory well expected to open new field developments. Six (6) **oil bearing** sands totalling 246’ (net porous sand)/282’ (gross sand) intersected. Production casing is currently being set to total depth of 9,220’.
- Strong outlook for COPL year end
 - Oil production at the Barron Flats Shannon Unit will continue to increase due to strong gas injection response
 - Oil production at the Cole Creek Unit will continue to increase through the recompletion of marginal and shut-in wells
 - Barron Flats Federal (Deep) 100% **oil discovery** to be tested through casing. The testing program will lead to initial production and define a further exploration/appraisal and an exploitation strategy for the targeted reservoirs
- Reviewing other value enhancing asset acquisitions in Wyoming

Arthur Millholland, President & CEO, commented:

“Our Wyoming assets continue to perform well beyond our initial expectations as I indicated in the August 17th operating update. Crude oil production has increased



123% from April 1st, and continues to increase weekly. In fact, crude oil production has increased by **24%** from our last update just two weeks ago. The increase in crude oil production is due to the ongoing enhanced gas injection program, commencing on April 1st. As such, oil production will continue to increase as the surface well site production facilities are enhanced to handle the increased oil production rates and associated higher working pressures.

“We are excited about our 100% owned Barron Flats Federal (Deep) **oil discovery** announced today. Our next task is to test all six of the sand intervals through casing over the next several weeks. This well is a testament to our team which identified substantial upside below the Barron Flats Shannon Unit, further demonstrating the value of the Atomic acquisition to COPL. The Company’s enviable block of leasehold as well as its production facilities will allow for additional significant oil production growth. Associated gas production from these reservoirs will be utilized in our miscible operations thus continuing with the Company’s **net zero gas flaring** production operations.”

“With the oil price and our assets performing well ahead of expectation, the company is in a very good position for the short, medium and long term. We continue to review other value enhancing potential acquisitions in Wyoming as we look to build a material exploration and production company.”

Financial Highlights: Q2 2021 to June 30, 2021

The Wyoming assets contributed oil sales revenue of \$3.9 million to June 30 since closing the Atomic Acquisition on March 16th. COPL’s realized Operating Netback during the second quarter was \$30.62/bbl. on average production of 796 bbl./d (net) for the period. Revenue consists of petroleum sales of \$0.5 million and \$3.4 million for the first and second quarters of 2021, respectively offset by \$0.2 million of realized loss on crude commodity derivative contracts incurred in second quarter of 2021. US related operating costs, production taxes, depletion, depreciation and amortization, and general and administrative expenses total \$0.4 million and \$2.8 million incurred in the first and second quarter of 2021, respectively.

The Q2 2021 results and associated annual regulatory filing documents, including the Financial Statements, Management’s Discussion and Analysis, for the quarter ending June 30, 2021, can be viewed under the Company’s name at www.sedar.com or at the Company’s website at www.canoverseas.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 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.



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