



## Canadian Overseas Petroleum Reports 2018 Year End Results and Q1 Update

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**Calgary, Canada, March 29, 2019** – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on sub-Sahara Africa, announces its results for the year ending December 31, 2018 and an update for the first quarter, 2019.

### Highlights for the year ended 2018 are as follows:

- Secured a term sheet of up to US\$50 million into the Company’s subsidiary ShoreCan from The Mauritius Commercial Bank Limited and Trafigura.
- Completed financing in London that raised gross proceeds of £3.0 million.
- Submitted the work programme for the drilling of no less than three appraisal wells in the NOA #1 area of key Nigeria off shore oil asset, OPL 226.
- COPL and its ShoreCan joint venture partner continue discussions with potential contractors and suppliers regarding the appraisal wells and several other wells.
- A large international offshore service provider approached COPL to bid for the appraisal wells. Discussions are ongoing.
- During the fourth quarter, the NNPC granted conditional approval of a 24-month extension for the Phase-1 PSC subject to certain conditions including the submission of a Performance Bond of US\$7 million.
- On track to bring four appraisal wells onto production at a forecast initial production rate of 6-10,000 bpd per well, by the end of 2020.
- Netherland Sewell and Associates, Inc. (“NSAI”) has evaluated COPL’s Contingent Resources and Prospective Resources on OPL 226 and produced a report as of December 31, 2018. The report, dated March 15, 2019 was prepared under Canadian National Instrument NI 51-101. The findings highlight the inherent value in the asset and underpin the Company’s ultimate potential. A summary of the report can be found in the Company’s Annual Information Form (“AIF”) dated March 28, 2019. The complete report can be viewed under the Company’s name at [www.sedar.com](http://www.sedar.com) or on the Company’s website [www.canoverseas.com](http://www.canoverseas.com).

### Q1 Update

- The Company’s Nigerian Affiliate has accepted a term sheet from a recognized Nigerian Bank for the provision of a US\$7 million Performance Bond which will



meet the principal condition of the 24-month extension of Phase 1 of the OPL 226 PSC which runs until October 2020. Security for the Performance Bond will be provided by COPL's affiliate ShoreCan. The Company expects the Performance Bond to be in place to the satisfaction of the regulatory authorities in the coming weeks, at which point activities on OPL 226 can be commenced in earnest.

- In March the Company's Nigerian Affiliate signed a non-binding letter of intent with an offshore drilling contractor for a new build high spec jack-up drilling rig. The rig is currently undergoing testing and final inspections before its acceptance by the contractor. Successful completion of these tests is one of the Affiliates' conditions in moving forward in the contracting process.

**Arthur Millholland, President & CEO, commented:**

"We are now well placed in the development of our strategically important Nigerian asset as we look to commence drilling of the appraisal wells later this year. This is a key step to enable COPL to become a successful mid-tier oil and gas company. Over the last year we have been focused on securing the required contracts and regulatory approvals for OPL 226, raising the necessary funds for the expanded and accelerated program of the asset, while at the same time sourcing contractors and suppliers to perform the drilling, logistics and supplies needed to enable production. We look to the future with confidence given the imminent commencement of operations and the recent evaluation of our Nigerian asset's resources."

The results and associated annual regulatory filing documents, including the Financial Statements and the Management's Discussion and Analysis, can be viewed under the Company's name at [www.sedar.com](http://www.sedar.com) or at the Company's website at [www.canoverseas.com](http://www.canoverseas.com).

**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 mid-2019. 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



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awarded an exploration license onshore Mozambique in the 5<sup>th</sup> 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 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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