



Canadian Overseas Petroleum Readmission to Trading and Operations Update

London, United Kingdom; Calgary, Canada: August 17, 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, is pleased to announce its readmission to trading of its common shares on the Standard Segment of the London Stock Exchanges Main Market for listed securities, and to provide an operations update on today’s readmission to trading.

Operating Highlights

- Atomic Oil and Gas assets performing significantly ahead of expectation
 - Current Oil Production increased 80% from 1,220bbl/d (gross), 706 bbl./d (net) at April 1st to 2,200 bbl./d (gross), 1,302 (net)
 - Total Gas Injected from April 1: c. 1 Bcf (60% Natural Gas, 40% Butane/Propane) at an average rate of 6,550 Mcf/d
 - Commencement of a recompletion program at Cole Creek with the successful recompletion of two of twelve marginal producing oil wells
 - Commencement of drilling operations of an exploratory well to expand the Shannon Unit and to open a potential new field development
- Strong outlook for year end
 - Oil production is expected to continue to increase due to strong gas injection response
- Reviewing other value enhancing asset acquisitions in Wyoming

Arthur Millholland, President & CEO, commented:

“The assets acquired through the acquisition of Atomic Oil and Gas LLC on March 16th are performing well beyond our initial expectations. Crude oil production has increased 80% from April 1st, and continues to increase weekly. In fact, crude oil production has increased 22% from the report of our Q1 results on July 26th. The increase in crude oil production is primarily due to the enhanced gas injection program which commenced on April 1st and is continuing. 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. In addition, we have initiated operations to exploit the substantial upside identified by our team. We are confident that the assets acquired through the acquisition will continue to add



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significant value going forward and have increased our production forecasts accordingly.”

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

Wyoming Operations

The Company is Operator of 47,991 gross contiguous acres of leasehold in Converse and Natrona Counties in the State of Wyoming. Within the leasehold there are two (2) production Units: the Barron Flats Shannon Miscible Unit (57.7% WI) and the Cole Creek Unit (66.67% WI) and one unitized exploration area – the Barron Flats Federal Unit (Deep) (55.56% WI).

Barron Flats Shannon Miscible Unit

Commencing on April 1st the Company implemented a plan to increase gas injection at the Barron Flats Shannon Unit miscible flood project from 2,800 Mcf/d to 10,000 Mcf/d with the then planned peak injected volumes to be achieved in the 4th Quarter. Due to much better-than-expected injectivity response in mid-April, injection volumes were increased ahead of forecast peaking at 10,000 Mcf/d in the second week of June. Increased gas injection volumes commenced on the eastern portion of the field in April, balancing to the western area of the field through the period. Current injection rates are approximately 6,000 Mcf/d due to reduced butane/propane supply from the Company’s supplier due a scheduled midstream plant turnaround. Gas injection rates will increase back to 10,000 Mcf/d at the end of the month when butane/propane supply becomes available. Approximately 1 Bcf of gas (60% Natural Gas, 40% Butane/Propane) has been injected from April 1 at an average daily rate of 6,550 Mcf/d.

Oil production response to the increased gas injection volumes commenced in earnest in the third week of May rising from 1,200 bbl./d on April 1st to 1,290 bbl./d (gross). Oil production response from that point has been more dramatic, rising 63% to the current 2,107 bbl./d (gross).

Oil production will continue to increase as crude oil production response on the west side of the field is being observed and as enhanced surface production facilities are installed on newly flowing wells in the eastern area to handle increased oil production volumes and accompanying higher flowing pressures.

Cole Creek Unit

The Company commenced a recompletion program at the Cole Creek Unit targeting low productivity wells in the Frontier Formation. Two (2) low productivity wells were recompleted at Cole Creek in July by re-fracing the Frontier Sand reservoirs. The



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combined production rates have increased from 19 bbl./d to the current 56 bbl./d. Oil production from these wells continues to increase slowly as they continue with post frac clean up through pumping. Ten (10) additional wells have been identified for reworking with the first of these re-fraced this past week. Two (2) additional wells will be re-fraced in September. Total current Cole Creek production is 93 bbl./d (gross), 81 bbl./d (net), up 31% from April 1st. The success of the initial two wells of the recompletion campaign has demonstrated that this technique is a cost-effective way to increase production and materially increase Unit operating margins.

The results of the reworking campaign will be utilized to evaluate and design a future horizontal well depletion strategy for the Frontier reservoir at Cole Creek as a precursor to a miscible flood enhanced recovery scheme similar to the operating Barron Flats Shannon miscible flood.

Barron Flats Federal Unit (Deep)

The Company has commenced drilling operations at the BFU Fed 14-30VF well location, a 9,212' exploration well with the primary objective to extend the Barron Flats Shannon Miscible Unit to the Southwest and to evaluate oil potential of the Frontier and Dakota Formations. The location is adjacent to and southwest of the Barron Flats Shannon Miscible Unit. Intersection of the Shannon reservoir at this location will expand and increase the oil reserves attributed to the Barron Flats Shannon Miscible Unit. In addition, the BFU 14-30VF location is offsetting an abandoned well, one (1) mile to the west, drilled in the 1950s which has well developed apparent oil-bearing Frontier and Dakota sands. The Frontier Formation is the primary objective in the exploration portion of this well, potentially opening a new oil field development project close to the Company's existing oil production facilities.

Nigeria Operations

The Company's 50% owned joint venture company, Shoreline CanOverseas Petroleum Development Corporation Limited ("ShoreCan") and Essar Exploration & Production Limited (Mauritius) ("Essar Mauritius") have agreed to extend the completion date of the definitive agreements between the parties announced on August 4th, 2020 to October 29th, 2021.

On August 4th, 2020, the Company announced that the shareholders of the Company's Nigerian Affiliate had executed definitive agreements to resolve their disputes. Completion of these agreements is subject to the Nigerian National Petroleum Corporation ("NNPC") granting an extension of the exploration period under the OPL 226 PSC beyond the September 30th, 2020. The Nigerian Affiliate applied for this extension in June 2020. COPL understands that COVID-19 restrictions pertaining to travel and "in person" meetings continue to cause delays regarding the application within the NNPC and the Department of Petroleum Resources ("DPR") due to increases in protection measures to protect the Nigerian people from the increasing effects of the pandemic.



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In conjunction with the operations update, readers are reminded to review the Company's Final Prospectus ("Prospectus") dated August 11th, 2021 and the Q1 results filed on July 26th, 2021. The Prospectus and the Q1 results and associated annual regulatory filing documents, including the Financial Statements, Management's Discussion and Analysis, for the quarter ending March 31st, 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",



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"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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