CANADIAN OVERSEAS PETROLEUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

The following is Management's Discussion and Analysis ("MD&A") of the operating and financial results of Canadian Overseas Petroleum Limited, and its wholly owned subsidiaries COPL Technical Services Limited, Canadian Overseas Petroleum (UK) Limited ("COPL UK"), Canadian Overseas Petroleum (Bermuda Holdings) Limited ("COPL Bermuda Holdings"), Canadian Overseas Petroleum (Bermuda) Limited ("COPL Bermuda"), and Canadian Overseas Petroleum (Namibia) Limited ("COPL Namibia"), (collectively "COPL" or the "Company") as at and for the three and nine month periods ended September 30, 2017. The information is provided as of November 10, 2017. The results for the three and nine month periods ended September 30, 2017 have been compared to the same periods of 2016. This MD&A should be read in conjunction with the Company's audited consolidated financial statements as at and for the years ended December 31, 2016 and 2015, together with the accompanying notes and the Annual Information Form of the Company dated March 28, 2017 (the "AIF"). These documents and additional information about COPL are available on the Company's website at www.canoverseas.com and on SEDAR at www.sedar.com.

All amounts are presented in United States dollars ("USD") unless otherwise noted.

BUSINESS OF THE COMPANY – MANAGEMENT

Canadian Overseas Petroleum Limited is a publicly traded oil and gas company listed on the TSX Venture Exchange (TSX-V) under the symbol "XOP" and the London Stock Exchange (LSE) under the symbol "COPL".

COPL is an international oil and gas exploration and development company focused on sub-Saharan offshore Africa. The Company formed a joint venture company with Shoreline Energy International Limited ("Shoreline"), in line with the Company's strategy to diversify and balance its asset portfolio to generate stable cash flow from secure assets. Both partners hold a 50% interest in the jointly controlled company, Shoreline Canoverseas Petroleum Development Corporation Limited ("ShoreCan"), which was incorporated on October 24, 2014. ShoreCan is focused on acquiring upstream oil and gas exploration, development and producing assets in sub-Saharan and West African countries.

Senior management and strategic corporate functions are performed by COPL's head office in Calgary, and geological, geophysical, engineering, accounting and administrative functions are performed by COPL Technical Services Limited. Some technical and projects related functions are provided by COPL UK. COPL Bermuda Holdings, COPL Bermuda and COPL Namibia (currently dormant) were incorporated for operations offshore Liberia and potential opportunities elsewhere in Africa.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains forward-looking statements relating to future events or future performance. In some cases, forward-looking information and forward-looking statements can be identified by terminology such as "may", "will", "should", "expects", "projects", "plans", "anticipates", "potential", "intend", "believe" and similar expressions. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of COPL. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties, including the business risks discussed in AIF dated March 28, 2017, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Operating conditions can have a significant effect on the timing of events. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

FORWARD-LOOKING INFORMATION AND STATEMENTS (CONTINUED)

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- the Company's current strategy to establish and grow an oil and gas business (the "Overview and Overall Performance", "Outlook" and "Liquidity and Capital Resources" sections);
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- the Company's ability to raise capital and obtain the financing necessary to develop profitable oil operations (the "Overview and Overall Performance", "Outlook" and "Liquidity and Capital Resources" sections);
- the Company's assumptions in respect of valuation of Warrants (as defined herein) (the "Derivative Gain / Loss" section);
- the Company's ability to manage its financial and operational risks (the "Overview and Overall Performance", "Financial Instruments", "Commitments and Contractual Obligations" and "Liquidity and Capital Resources" sections).

The Company's MD&A and AIF for the year ended December 31, 2016 describe major risks, material assumptions and other factors related to forward-looking information and forward-looking statements that could influence actual results and are incorporated herein by reference. These risks, assumptions and other factors have been provided for readers to gain a more complete perspective on COPL's future operations. However, readers should be cautioned that the list of factors is not exhaustive and that this information may not be appropriate for other purposes. Forward-looking information and forward-looking statements included or incorporated by reference in this MD&A are valid only as at the date of this MD&A, and the Company does not intend to update or revise these forward-looking statements and forward-looking information except as required by applicable securities laws. The forward-looking information and forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

OVERVIEW AND OVERALL PERFORMANCE *

In the third quarter of 2017, the Company continued to identify, evaluate and pursue exploration and development opportunities in West African countries. The Company continues to be focused on offshore opportunities that its seasoned technical team has strength in evaluating and developing.

Liberia

The Company held a 17% working interest in Block LB-13 offshore Liberia, with the remaining 83% being held by ExxonMobil Exploration and Production Liberia Limited ("ExxonMobil"), who was the operator under this license. The Company's exploration and evaluation assets ("E&E") related entirely to the Liberia project and consisted mainly of 3D seismic of Block LB-13 and capitalized geological and geophysical evaluation work conducted on this block.

On November 22, 2016, ExxonMobil commenced drilling operations on the Mesurado-1 exploration well utilizing the Drillship Seadrill West Saturn. On December 19, 2016, it was announced that the Mesurado-1 well had reached total depth. It was reported that the well, targeting oil in a sequence of Late Cretaceous Santonian-age sands, intersected 145 metres (475 feet) of net sand of which 118 metres (387 feet) were deemed to be "reservoir quality." No hydrocarbons were indicated by the logging while drilling operations performed across the targeted intervals. ExxonMobil, the operator, plugged and abandoned the well and released the rig on December 27, 2016.

During 2017, Exxon and the Company performed an evaluation of Mesurado-1 results and worked on implementation of these results into a geological and geophysical analysis for the rest of block LB-13. The obligations under a second exploration period under LB-13 license were completed with the drilling of Mesurado-1 and the second exploration period expired on September 25, 2017.

Both Exxon and the Company have elected not to enter into third exploration period and accordingly, surrendered their rights to the LB-13 license, resulting in the expiration of LB-13 production sharing contract on September 25, 2017. Accordingly, the Company recognized an impairment of its whole E&E balance of $15.6 million as at September 30, 2017.

OVERVIEW AND OVERALL PERFORMANCE * (CONTINUED)

Expansion of sub-Saharan Portfolio

As part of the Company's stated strategy to expand its interests and to generate stable cash flow from secure assets, the Company continues to assess opportunities in sub-Saharan Africa and other places worldwide. The Company and Shoreline, an unrelated company, incorporated ShoreCan in October 2014 in Bermuda to focus on acquisitions of upstream oil and gas exploration, development and producing assets in sub-Saharan Africa. Both partners hold a 50% interest in the jointly controlled entity.

Nigeria

On September 14, 2016, COPL announced that ShoreCan had completed the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"). Essar Nigeria's sole asset is a 100% interest and operatorship of oil prospecting license, located about 50 kilometres offshore in the central area of the Niger Delta ("OPL 226"). As a party to a PSC for OPL 226, Essar Nigeria is required to seek Nigerian Government ministerial consent for the transaction. The respective application has been made and the parties to the transaction are awaiting its approval.

OPL 226 has an area of 1530 km^2 and is situated in water depths ranging from 40 to 80 meters. It offers oil appraisal and development opportunities having near term oil production potential and significant exploration upside. Historically, four of the five wells with oil and gas shows were drilled in 1972 and 1973, however, the most recent fifth well (Noa-1) was an oil discovery drilled in 2001. ShoreCan, in the last year, has completed additional seismic processing of the most recent 568 km^2 3D seismic survey acquired by Essar Nigeria in 2012. The advanced seismic processing techniques, applied to this data set by ShoreCan, were successfully completed to differentiate oil-bearing sands from gas-bearing or water-bearing sands. ShoreCan plans to drill an exploitation well adjacent to the Noa-1 discovery well. At the request of COPL, Netherland, Sewell & Associates, Inc. ("NSAI") prepared an independent report (the "Report") in accordance with Canadian National Instrument 51-101 evaluating the Contingent and Prospective Resources attributed to OPL 226, as of December 31, 2016. The Contingent and Prospective Resource volumes estimated in the NSAI report are disclosed in the Company's AIF dated March 28, 2017 under Appendix A in accordance with NI-51-101 rules and regulations.

During the third quarter of 2017, the Company engaged Zephyr Well Engineering (Aberdeen, U.K.) to assist with well design planning for the initial wells in OPL 226. While the Company does have well engineering expertise on staff, the relationship with Zephyr enables the Company to utilize professionals with experience in West Africa during critical stages of planning and execution. Goals the Company has with Zephyr for this first well on OPL 226 include building solid operational management controls, technical assurance of the well design, assistance with contracting and procurement, and other technical support functions as required.

Mozambique

In Mozambique, the Company is part of a consortium that is in final discussions regarding the awarding of a prospective onshore license under the 5th licensing round. The Company expects to arrive at the conclusion of these discussions by year end.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

OUTLOOK *

The Company's strategy is to grow its international oil and gas business offshore sub-Saharan Africa and elsewhere in the world by farming into, and/or acquiring interests in, exploration, unappraised and/or undeveloped assets as well as in producing assets using the expertise and experience of its senior management team.

The Company's short-term operations will focus on:

- working to progress the planning of future exploitation drill locations in Nigeria on OPL 226; and
- working to successfully conclude the variety of new opportunities available in Africa and elsewhere.

Currently the Company does not have material cash inflows and/or adequate financing to develop profitable operations. The Company is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive cash flows. Accordingly, the Company's continued successful operation is dependent on its ability to obtain additional financing. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Company. With no assurance such financing will be obtained in future, there is material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. All of these factors represent events, risks or uncertainties that management believes will materially affect the Company's future performance.

***** *This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

FINANCIAL SUMMARY

General and administrative costs were $1.2 million and $3.5 million for the three and nine months ended September 30, 2017 (net of $33,000 and $235,000 of costs allocated to exploration projects, respectively), compared to $1.4 million and $3.8 million for the same periods in 2016 (net of $56,000 and $161,000 of costs allocated to exploration projects, respectively). As at September 30, 2017, the Company wrote off $15.6 million representing all of its exploration and evaluation assets as the Company surrendered its rights to the LB-13 license in Liberia; no such write off was recorded in comparable periods of 2016. A foreign exchange gain of $0.1 million and $0.3 million was recognized for the three and nine months ended September 30, 2017, compared to a foreign exchange gain of $2,000 and a loss of 0.2 million for the same periods in 2016. The Company also recognized a loss on derivative of $0.5 million and $0.1 million for the three and nine months ended September 30, 2017, compared to a loss of $4.8 million and $5.1 million for the same periods in 2016. Stock-based compensation expense of $0.3 million and $1.5 million was recorded for the three and nine months ended September 30, 2016 in relation to stock options granted in May and August of 2016; there were no stock options granted in the same periods of 2017. Interest income of $1,000 and $8,000 was recorded for the three and nine months ended September 30, 2017, compared to $9,000 and $19,000 for the same periods in 2016. The loss recognized on the Company's investment in ShoreCan was $6,000 and $59,000 for the three and nine months ended September 30, 2017, compared to $77,000 and $79,000 for the same periods in 2016. As a result, the Company's net loss amounted to $17.3 million and $19.0 million for the three and nine months ended September 30, 2017, compared to a net loss of $6.5 million and $10.7 million for the three and nine months ended September 30, 2016.

As at September 30, 2017, the Company's cash and cash equivalents amounted to $2.4 million. Cash used in operating activities amounted to $3.2 million for the nine months ended September 30, 2017 compared to $4.3 million for the same period in 2016. Cash provided by financing activities amounted to $3.4 million for the nine months ended September 30, 2017 compared to $6.3 million for the same period in 2016. Cash used in investing activities amounted to $0.5 million for the nine months ended September 30, 2017, compared to $0.2 million for the nine months ended September 30, 2016.

SELECTED QUARTERLY INFORMATION

DISCUSSION OF OPERATIONS

The Company has not had significant revenue from operations in either of its last two financial years. The following table summarizes the Company's financial results for the three and nine months ended September 30, 2017 and 2016:

($ 000's) except per share	**Three months ended September 30, 2017**	Three months ended September 30, 2016	**Nine months ended September 30, 2017**	Nine months ended September 30, 2016
Administrative expenses	**$ 1,236**	$ 1,363	**$ 3,462**	$ 3,791
Impairment of exploration and evaluation assets	**15,642**	-	**15,642**	-
Stock-based compensation	**-**	261	**-**	1,529
Derivative loss	**485**	4,814	**115**	5,073
Foreign exchange (gain) / loss	**(119)**	(2)	**(296)**	246
Interest income	**(1)**	(9)	**(8)**	(19)
Loss on investment in joint venture	**6**	77	**59**	79
Net loss	**17,254**	6,511	**18,990**	10,733
Per share loss (basic and diluted)	**$ 0.01**	$ 0.01	**$ 0.02**	$ 0.02
Outstanding common shares at September 30	***1,273,139,350***	*606,737,493*	***1,273,139,350***	*606,737,493*
Weighted average common shares - basic	***1,273,139,350***	*607,114,077*	***881,461,694***	*550,883,602*
Cash used in operating activities	**$ 1,156**	$ 1,700	**$ 3,206**	$ 4,284

SELECTED QUARTERLY INFORMATION (CONTINUED)

Administrative Expenses

A breakdown of administrative expenses is as follows:

($ 000's)	**Three months ended September 30, 2017**	Three months ended September 30, 2016	**Nine months ended September 30, 2017**	Nine months ended September 30, 2016
Administrative:				
Payroll and related costs	**$ 422**	$ 549	**$ 1,445**	$ 1,663
External directors' fees and related costs	**117**	115	**376**	460
Consulting services	**82**	46	**316**	272
Professional services	**95**	48	**273**	106
Software licenses and maintenance	**46**	33	**122**	98
Travel expenses	**94**	127	**286**	335
Office expenses	**165**	168	**494**	499
Stock exchanges, transfer agent and UK agents fees	**43**	113	**166**	261
Other general and administrative	**205**	220	**219**	258
Costs allocated to exploration projects	**(33)**	(56)	**(235)**	(161)
Total administrative	**$ 1,236**	$ 1,363	**$ 3,462**	$ 3,791

Administrative expenses amounted to $1.2 and $3.5 million for the three and nine months ended September 30, 2017, compared to $1.4 and 3.8 million for the same periods in 2016, and are presented net of costs allocated to exploration projects which amounted to $33,000 and $235,000 for the three and nine months ended September 30, 2017, compared to $56,000 and $161,000 for the same periods in 2016.

The decrease in net administrative expenses of $0.1 and $0.3 million for the three and nine months ended September 30, 2017, compared to the same periods in 2016 resulted mainly from:

- a decrease in payroll and related costs, and travel costs due to lower employment levels in 2017,
- lower external directors' fees in 2017 as a one-time additional fee was incurred in 2016, and
- a decrease in fees for UK regulatory agents, and
- higher amounts allocated to the exploration project due to the geological and geophysical reassessment of Liberia block LB-13 in 2017;

partially offset by:

- an increase in consulting and professional services, mainly due to additional consulting and legal services in respect of potential new projects.

Impairment of Exploration and Evaluation Assets

As at September 30, 2017, the Company recognized an impairment of the whole balance of its exploration and evaluation assets ("E&E") of $15.6 million that related to Block LB-13 offshore Liberia as the license was surrendered and expired on September 25, 2017 (as discussed further in "Exploration and Evaluation Assets" section).

There was no impairment of E&E assets recorded in comparable periods of 2016.

*Derivative Gain / Loss**

The Company has 159,032,188 various Common Share purchase warrants ("Warrants") that were issued in 2016 and June 2017 which are outstanding as at September 30, 2017. These Warrants' exercise prices are in CAD or GBP and the Company's stocks are traded in CAD or GBP, however, the Company's functional currency is USD. As there is variability in the exchange rates, these Warrants are classified as derivative financial instruments, a derivative liability was recognized as at the date of grant and subsequently, the derivative liability is revalued at each balance sheet date until Warrants are exercised or expire.

SELECTED QUARTERLY INFORMATION (CONTINUED)

Derivative Gain / Loss(continued)*

As at September 30, 2017, the Warrants outstanding as at that date and recognized as derivative financial instruments were revalued and a derivative loss of $0.5 million and $0.1 million was recognized for the three and nine months ended September 30, 2017, compared to the derivative loss of $4.8 million and $5.1 million recognized in the same periods of 2016.

The derivative loss recorded for the three month period ended September 30, 2017 represents an increase in fair value of outstanding Warrants mainly due to an increase in the Company's stock price from CAD $0.01 ($0.008) as at June 30, 2017 to CAD $0.03 ($0.024) as at September 30, 2017. The estimated derivative liability as at September 30, 2017, is valued at $0.6 million (December 31, 2016 - $0.3 million). The fair value of Warrants recognized as derivative financial instruments was estimated using a Black-Scholes option pricing model (the assumptions used for the Black-Scholes model are discussed in Note 5 accompanying the Company's unaudited condensed consolidated financial statements as at September 30, 2017).

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

Foreign Exchange Gain

A foreign exchange gain of $0.1 million and $0.3 million was recognized for the three and nine months ended September 30, 2017 (compared to a foreign exchange gain of $2,000 and a foreign exchange loss of $0.2 million for the same periods in 2016), which relates mainly to a gain on translation of cash, cash equivalents and accounts payable denominated in currencies other than USD.

Interest Income

Interest income earned was $1,000 and $8,000 for the three and nine months ended September 30, 2017, compared to $9,000 and $19,000 for the same periods in 2016. The interest income relates to interest earned on cash held at banks.

Loss on Investment in Joint Venture

The Company currently holds a 50% interest in a jointly controlled entity, ShoreCan. For the three and nine months ended September 30, 2017, the Company charged ShoreCan $0.5 million and $1.1 million for management and technical services, which were included in ShoreCan's general and administration expenses for the same period. These amounts of revenue were reversed from the Company's revenue and investment in joint venture.

For the three and nine months ended September 30, 2017, the Company's share in ShoreCan's losses of $0.6 million and $1.3 million respectively ($0.7 million and $1.9 million for comparable periods of 2016) exceed the Company's net investment in ShoreCan of $6,000 and $59,000 for these periods ($77,000 and $79,000 for same periods of 2016). Accordingly, under the equity method, the loss on investment recognized by the Company amounted to $6,000 and $59,000 for the three and nine months ended September 30, 2017 ($77,000 and $79,000 for comparable periods of 2016).

COMPARATIVE FINANCIAL POSITION ITEMS

The following table summarizes the Company's financial position as at September 30, 2017 and December 31, 2016:

($ 000's) except per share	September 30, 2017	December 31, 2016
Cash and cash equivalents	**$ 2,443**	$ 2,565
Exploration and evaluation assets	**-**	15,407
Total assets	**2,916**	18,480
Non-current financial liabilities	**640**	335
Share capital	**130,734**	124,874
Shareholders' equity	**$ 1,199**	$ 17,154

Economic and industry factors and their respective impact on the Company for the quarter ended September 30, 2017, are substantially unchanged since the year ended December 31, 2016.

Cash and Cash Equivalents

The decrease in cash and cash equivalents of $0.1 million during the first nine months of 2017 represents mainly cash utilized in operating activities of $3.2 million and investing activities of $0.5 million, partially offset by proceeds from equity financing closed in the second quarter of 2017 of $3.4 million and foreign exchange gain of $0.2 million on cash and cash equivalents denominated in currencies other than USD.

Investment in joint venture

The Company's investment in joint venture, relates to a 50% share of ShoreCan, the jointly controlled entity and represents a 50% share in ShoreCan's assets and liabilities. As the Company's share of ShoreCan's net liabilities exceeded the Company's net interest in ShoreCan as at September 30, 2017, under the equity method, the Company discontinued recognizing its share of future losses and the carrying amount of the investment in the jointly controlled entity was $nil as at September 30, 2017 ($nil as at December 31, 2016).

Exploration and Evaluation Assets

($ 000's)	September 30, 2017	December 31, 2016
E&E assets – opening balance	**$ 15,407**	$ 16,455
Capitalized geological and geophysical work	**235**	273
Impairment of exploration and evaluation assets	**(15,642)**	(1,321)
Total capitalized exploration and evaluation costs	**$ -**	$ 15,407

The Company held a 17% working interest in Block LB-13 offshore Liberia, with the remaining 83% being held by ExxonMobil Exploration and Production Liberia Limited ("ExxonMobil"), who was the operator under this license. The Company's exploration and evaluation assets ("E&E") related entirely to the Liberia project and consisted mainly of 3D seismic of Block LB-13 and capitalized geological and geophysical evaluation work conducted on this block, net of $1.3 million of E&E impairment recorded in 2016, further to drilling Mesurado-1 well that was not commercially successful.

During 2017, ExxonMobil and the Company performed an evaluation of Mesurado-1 results and worked on implementation of these results into a geological and geophysical analysis for the rest of block LB-13. The obligations under a second exploration period under LB-13 license were completed with drilling Mesurado-1 and the second exploration period expired on September 25, 2017. Both ExxonMobil and the Company have elected not to enter into third exploration period and accordingly, surrendered their rights to the LB-13 license, resulting in the expiration of LB-13 production sharing contract on September 25, 2017. Accordingly, the Company recognized an impairment of its whole E&E balance of $15.6 million as at September 30, 2017.

COMPARATIVE FINANCIAL POSITION ITEMS (CONTINUED)

Total Assets

Total assets decreased by $15.6 million from $18.5 million as at December 31, 2016 to $2.9 million as at September 30, 2017. The decrease is mainly a result of impairment of the Company's E&E assets balance related to the Liberia project.

Non-current Financial Liability

Non-current financial liability of $0.6 million as at September 30, 2017 and $0.3 million as at December 31, 2016 represents entirely the valuation of Warrants issued by the Company in currencies other than USD. As there is variability in the exchange rates, these Warrants are classified as derivative financial instruments and a derivative liability is recognized as at the date of issue; subsequently, the derivative liability is revalued at each balance sheet date until Warrants are exercised or expire. As at September 30, 2017, the derivative liability represents a valuation of various warrants issued during 2016 and broker's warrants issued (further to equity financing) in June 2017 that are still outstanding as at September 30, 2017. The fair value of Warrants is estimated using a Black-Scholes option pricing model (the assumptions used for the model are discussed in the notes accompanying the Company's unaudited condensed consolidated financial statements as at September 30, 2017).

Shareholders' Equity

The decrease in shareholders' equity of $16.0 million from $17.2 million as at December 31, 2016 to $1.2 million as at September 30, 2017 relates to:

- net loss of $19.0 million for the nine months ended September 30, 2017 which includes $15.6 million write off of E&E assets, and
- an increase in accumulated other comprehensive loss of $0.2 million that represents an unrealized foreign exchange loss on translation of foreign subsidiary,
- offset by an increase in share capital of $3.2 million (net of movement in warrants) as a result of common shares issued for gross proceeds of $ 4.2 million further to a financing closed in June 2017, net of valuation of related broker's warrants of $0.2 million that are recognized as a derivative liability and net of issue costs of $0.8 million (as discussed in "Share Capital" section).

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common and preferred shares.

On June 12, 2017, further to a UK prospectus, the Company closed a placing of 656,000,000 Common Shares at a price of GBP 0.005 ($0.006) for gross proceeds of GBP 3.3 million ($4.2 million) (the "UK Placing). The Brokers were paid a cash commission of GBP $0.2 million ($0.25 million) representing approximately 6.0% of the gross proceeds of the UK Placing. Other expenses (mainly legal and stock exchanges' fees) amounted to approximately GBP 0.4 million ($0.5 million). The Company will use net proceeds from the UK Placing of approximately $3.4 million to finance its administrative expenses.

In connection with the UK Placing, the Company also issued 39,000,000 warrants to its broker (the Broker's Warrants") as compensation warrants. Each Broker's Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of GBP 0.005 ($0.006) per Common Share on or before June 12, 2019. The fair value of the Broker's Warrants estimated at $176,000 (using a Black-Scholes option pricing model) was recognized as share issue costs and a derivative liability as at June 12, 2017.

As at September 30, 2017, the Company had the following issued and outstanding securities:

- 1,273,139,350 Common Shares,
- 159,032,188 share purchase Warrants to purchase Common Shares with a weighted average exercise price of $0.06 per share and a remaining contractual life of seven months to one year and eight months, and
- 55,205,000 stock options to purchase Common Shares with a weighted average exercise price of $0.11 per Common Share and a remaining contractual life of ten months to three years and ten months.

Subsequent to quarter end, on October 16, the Company closed another placing in the UK of 250,000,000 Common Shares at a price of GBP 0.01 ($0.013) for gross proceeds of GBP 2.5 million ($3.3 million) (the "UK October Placing). The Brokers were paid a cash commission of GBP $0.12 million ($0.16 million) representing approximately 4.9% of the gross proceeds of the UK October Placing. In addition, the Company issued 15,000,000 warrants to its broker as compensation warrants and each such warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of GBP 0.01 ($0.013) per Common Share on or before October 16, 2019. The Company will use proceeds from the UK October Placing to finance its general and administrative expenses.

Accordingly**,** as at November 10, 2017 the Company has a total of 1,523,139,350 Common Shares and 174,032,185 Warrants issued and outstanding.

SUMMARY OF QUARTERLY RESULTS

Eight most recent quarters:

($ 000's)	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**	**December 31, 2016**
Revenue	1	2	5	7
Income / (Loss)	(17,254)	(930)	(806)	3,972
Earnings / (Loss) per share - basic & diluted	(0.02)	(0.00)	(0.00)	0.01

($ 000's)	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**
Revenue	9	7	3	21
Loss	(6,511)	(2,472)	(1,750)	(1,943)
Loss per share - basic & diluted	(0.01)	(0.00)	(0.00)	(0.00)

The revenue in all quarters consists of interest income earned on cash balances held at banks.

SUMMARY OF QUARTERLY RESULTS (CONTINUED)

Significant fluctuations in the Company's quarterly net results during 2017, 2016 and 2015 were mainly due to non-cash items recorded during the quarters in respect of E&E impairment, stock-based compensation and changes in derivatives valuation as follows:

($ 000's)	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Impairment of E&E assets	(15,642)	-	-	(1,321)
Stock-based compensation	-	-	-	(568)
Derivative gain/(loss)	(485)	103	267	7,199

($ 000's)	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Impairment of E&E assets	-	-	-	-
Stock-based compensation	(261)	(1,268)	-	-
Derivative gain/(loss)	(4,814)	395	(654)	23

In the fourth quarter of 2016, the Company impaired $1.3 million of its E&E assets in respect of its project in Liberia and in the third quarter of 2017, the Company wrote off the whole remaining balance of $15.6 million as the LB-13 exploration license was surrendered (discussed in "Exploration and Evaluation Assets" section). There were no E&E impairments recorded in in other quarters under review.

The stock-based compensation was recognized in second, third and fourth quarter of 2016 in respect of stock options granted during these periods. There were no stock options granted in 2017 or in 2015.

Derivative gain and loss represents a change in valuation of the Company's Warrants that are recognized as derivative financial instruments and outstanding as at each balance sheet date (discussed in "Derivative Gain/Loss" section). Fair values of Warrantsare estimated based on Black-Scholes options pricing model and significant quarterly fluctuations in derivative liability are mainly due to fluctuations in the Company's stock price as at each quarter end. In addition, new Warrants issued in second quarter of 2016 and 2017 increased the number of Warrants recognized as derivatives from 84.8 million as at December 31, 2015 to 204.3 million as at December 31, 2016 and 243.3 million as at June 30, 2017. In third quarter of 2017, 84.3 million Warrants recognized as derivatives expired unexercised, therefore reducing the number of Warrants subject to valuation to 159 million as at September 30, 2017.

Quarterly administrative expenses were $1.1 million for the first and second quarter of 2017, $1.2 million for the third quarter of 2017 and $1.0 million for the first quarter of 2016, compared to $1.4 million for second, third and fourth quarter of 2016 and $1.5 million for the fourth quarter of 2015. The overall decrease in administrative expenses related mainly to a decrease in payroll and consulting services (due to lower employment) and an increase in costs allocated to exploration projects.

The Company is exposed to foreign exchange fluctuations, mainly Canadian dollar and British Pound against the U.S. dollar. Accordingly, foreign exchange gains or losses have an impact on its reported results. A material foreign exchange loss of $0.2 million was recorded in second quarter of 2016 and in the third quarter of 2015.

In addition, the Company's quarterly net results include losses on investment in joint venture (discussed in "Loss on Investment in Joint Venture" section). A material loss on investment of $0.1 million was recognized in third quarter of 2016 and $0.4 million in fourth quarter of 2015.

FINANCIAL INSTRUMENTS*

The Company's financial instruments consist of cash, short-term deposits, credit card deposits, accounts receivable, as well as accounts payable, accrued liabilities and derivative liability. It is management's opinion that the Company is not currently exposed to significant interest and/or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying value.

To mitigate a portion of foreign exchange risk exposure and to the extent it is feasible, the Company keeps its funds in currencies applicable to its known short-term commitments. No assurance can be given that such management of risk exposure will offset and/or eliminate the foreign exchange loss/gain fluctuations.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

COMMITMENTS AND CONTRACTUAL OBLIGATIONS*

As at September 30, 2017, the Company has the following commitments:

In $ 000's	Total	Less than One Year	One to Three Years	Four to Five Years	After Five Years
Office lease	**1,146**	529	617	-	-

The Company is committed under an operating lease agreement for the rental of office space in Calgary, Canada. The approximate lease payments total $1.1 million and are payable over the next 2.2 years.

ShoreCan's Commitments

The Company currently holds a 50% interest in a jointly controlled entity, ShoreCan, focusing on acquisitions of upstream oil and gas exploration, development and producing assets in sub-Saharan Africa. The determination of ShoreCan as a joint venture was based on ShoreCan's structure through a separate legal entity whereby neither the legal form nor the contractual arrangement give the owners rights to the assets and obligations for the liabilities within the normal course of business, nor does it give rights to the economic benefits of the assets or responsibility for settling liabilities associated with the arrangement.

The Company and its joint venture partner signed a funding agreement, effective October 24, 2014 (the "Funding Agreement") providing financial support as needed in proportion to its interest (50% each) in ShoreCan for ShoreCan's expenses and obligations. The Funding Agreement does not impose any guarantees from the Company and/or its joint venture partner. Amounts advanced to ShoreCan under the terms of the Funding Agreement are unsecured and payable on or before October 24, 2020 contingent upon ShoreCan generating its own cashflows. Interest is charged monthly at an annual rate of 3.0% above 12 month USD LIBOR.

On September 13, 2016, ShoreCan closed an acquisition of 80% of the issued share capital of Essar Nigeria, a company which sole asset is a 100% interest in OPL 226 license offshore Nigeria. As part of the shareholder agreement, ShoreCan has agreed to cover the funding of Essar Nigeria's operations. As a party to a Production Sharing Contract ("PSC") for OPL 226, Essar Nigeria is required to seek Nigerian Government ministerial consent for the transaction. The respective application has been made and the parties to the transaction are awaiting its approval.

In January 2017, three ShoreCan's representatives were appointed Directors of Essar Nigeria, gaining a majority on Essar Nigeria board. ShoreCan has assessed that the transaction does not meet criteria of a business acquisition as Essar Nigeria is in exploration/development stage and as at September 30, 2017, ShoreCan has legal control over Essar Nigeria. As at the date of filing of this MD&A, Shorecan has assessed that they do not have control under the control framework of IFRS 10, *Consolidated Financial Statements.* Accordingly, the financial statements of ShoreCan (presented in the Note 3 accompanying the Company's unaudited condensed consolidated financial statements as at September 30, 2017) do not include Essar Nigeria results for the first, second and third quarters of 2017 and the $0.25 million representing the cash consideration paid, is still recognized as a deposit in ShoreCan's books as at as at September 30, 2017.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (CONTINUED)*

ShoreCan's Commitments (continued)

In addition, ShoreCan has committed to invest up to a maximum of $80 million into Essar Nigeria in the form of an interest-free shareholder loan. The funds will be used for Essar Nigeria operations and in particular, to cover work program obligations, including the costs of drilling one well under Phase-1 of the PSC. Upon receiving final approval from the Nigerian Government, ShoreCan will finalize the recording of this investment based on the fair values of Essar Nigeria's assets and liabilities. As at December 31, 2015, as per Essar Nigeria's audited financial statements, Essar Nigeria had total assets of $69.8 million and total liabilities of $69.7 million, including a loan to its parent of $64.7 million. The agreement with Essar Nigeria provides for the repayment of this loan from future production.

As at the date of filing this MD&A, COPL has not provided any guarantee in respect of obligations, commitments and/or losses of either ShoreCan or Essar Nigeria.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

LIQUIDITY AND CAPITAL RESOURCES*

As of September 30, 2017, the Company had a working capital of approximately $1.7 million, cash and cash equivalents of $2.4 million and shareholders' equity of $1.2 million.

For the nine months ended September 30, 2017, the Company's cash used in operating activities amounted to $3.2 million (compared to $4.3 million for the nine months ended September 30, 2016) and cash used in investing activities amounted to $0.5 million for the nine months ended September 30, 2017 (compared to $0.2 million for the same period in 2016).

Cash provided by financing activities amounted to $3.4 million for the nine months ended September 30, 2017 ($6.3 million for the same period in 2016) and related entirely to net proceeds from the UK Placing closed on June 12, 2017. The Company will use these funds to finance its administrative expenses.

In addition, subsequent to quarter end, on October 16, the Company closed another placing in the UK for gross proceeds of GBP 2.5 million ($3.3 million) (discussed in "Share Capital" section). The Company will use net proceeds from this placing to finance its general and administrative expenses.

Currently, the Company does not have material cash inflows and/or adequate financing to develop profitable operations. The Company is pursuing exploration projects that, if successful, will require substantial additional financing before they are able to generate positive cash flows. Accordingly, the Company's planned growth and future development activities are dependent on its ability to obtain additional financing. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Company.

**** This section contains forward-looking information. Please see the "Forward-looking Information and Statements" section (at the beginning of this document) for a discussion of risks and uncertainties relating to such information.***

ACCOUNTING PRONOUNCEMENTS

Critical Accounting Estimates

The preparation of the financial statements in accordance with IFRS requires the Company to make estimates, assumptions and judgements in applying the Company's accounting policies and practices, which may have a significant impact on the financial results reported by the Company. Actual results could differ from estimated amounts, and those differences may be material. A comprehensive discussion of the Company's significant policies and critical accounting estimates is contained in the audited consolidated financial statements for the years ended December 31, 2016 and 2015.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures ("DC&P"), or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Management of COPL, including the Chief Executive Officer and Chief Financial Officer evaluate the effectiveness of the Company's DC&P annually.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"). They have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework the Company's officers used to design the Company's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations.

No material changes in the Company's ICFR were identified during the nine month period ended September 30, 2017, that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

It should be noted that a control system, including the Company's disclosure and internal controls procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected the disclosure and internal control procedures will prevent all errors or fraud. In reaching a reasonable level of assurance, management necessarily is required to apply its judgment in evaluating the cost/benefit relationship of possible controls and procedures.

DIRECTORS

Arthur S. Millholland - President and Chief Executive Officer
Harald Ludwig
Massimo Carello
Viscount William Astor
John Cowan

OFFICERS

Arthur S. Millholland, P.Geol. - President and Chief Executive Officer
Aleksandra Owad, CPA, CGA, FCCA (UK) - Chief Financial Officer
Rod Christensen, P.Geol. - Vice President, Exploration and Exploitation
Richard Mays, LL.B. (Hons), LL.M., Ph.D - Vice President, Business Development and General Counsel
Faralee A. Chanin, LL.B., M.B.A. - Corporate Secretary