CANADIAN OVERSEAS PETROLEUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

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 months ended March 31, 2016. The information is provided as of May 12, 2016. The results for the three month period ended March 31, 2016 have been compared to the same periods of 2015. 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, 2015 and 2014, together with the accompanying notes and the Annual Information Form of the Company dated March 28, 2016 (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 holds a 17% working interest in Block LB-13, offshore Liberia, with ExxonMobil Exploration and Production Liberia Limited ("ExxonMobil"), the operator, holding an 83% working interest.

The Company also 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 Africa, and has taken a position in Namibia while it continues to evaluate a variety of assets in Nigeria, Equatorial Guinea and other 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. Drilling oversight and some geological functions are provided by COPL UK. COPL Bermuda Holdings and COPL Bermuda were incorporated for operations offshore Liberia and elsewhere. COPL Namibia was incorporated on October 24, 2014 for future participation in Namibian opportunities.

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, 2016, 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);
- 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" and "Liquidity and Capital Resources" sections); and
- 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, 2015 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 first quarter of 2016, the Company continued to identify, evaluate and pursue exploration and development opportunities in Nigeria, Equatorial Guinea and other West African countries. The Company is focused on offshore opportunities that its seasoned technical team has strength in evaluating and developing.

Liberia

On April 5, 2013, following the Liberian Legislature's ratification of the Production Sharing Contract governing Block LB-13 offshore Liberia, the closing and completion of previously announced transactions between the Company's subsidiary COPL Bermuda and ExxonMobil occurred. The Company holds a 17% working interest in Block LB-13, with the remaining 83% being held by ExxonMobil, who is the operator under the license. As previously announced, the Company's share of all joint interest costs and the gross drilling costs up to $120 million is carried by ExxonMobil. Although the Company has not yet received ExxonMobil's latest estimated costs for the drilling of the first exploration well on Block LB-13, the Company anticipates that ExxonMobil's obligation to pay COPL Bermuda's participating interest share of costs, expenses and liabilities charged to the joint account under the Block LB-13 joint operating agreement dated March 8, 2013, entered into between COPL Bermuda and ExxonMobil, will continue for at least the first exploration well, and may also include a second exploration well (depending on the costs associated with the first exploration well).

The Company and ExxonMobil remain committed to completing the work program and obligations for the Block LB-13 project. In March 2014, an outbreak of "Ebola Haemorrhagic Fever" was reported in Liberia, the disease having crossed from its initial outbreak in the adjacent country of Guinea. It quickly spread in various parts of Liberia and was prevalent in the capital Monrovia and constituted a major health matter. The World Health Organization ("WHO") described it as an International Public Health Emergency. On July 23, 2014, the Company announced that the drilling program in Liberia had been suspended due to the Ebola outbreak in the region. Commerce and daily life were heavily impacted and international companies removed personnel and suspended business operations.

OVERVIEW AND OVERALL PERFORMANCE * (CONTINUED)

During the first part of January 2016, the WHO declared the end of the most recent outbreak of Ebola virus disease in Liberia and stated that all known chains of transmission had been stopped in West Africa. Liberia was first declared free of Ebola transmission in May 2015, but the virus has been re-introduced twice since then, with the latest flare-up in November 2015. On January 14, 2016, the most recent WHO announcement about Liberia being “Ebola-free” came 42 days (two 21-day incubation cycles of the virus) after the last confirmed patient in Liberia tested negative for the disease 2 times. As such, there remains a risk for further flare-ups of the disease, which have the potential to be as serious.

On February 23, 2016, ExxonMobil informed the Company that the length of the extension period granted by the National Oil Company of Liberia (“NOCAL”) has been set at a total of 619 days and that the second exploration period timeframe has been extended until September 25, 2017. This extension was a result of the “State of Emergency Agreement” between NOCAL and ExxonMobil due to the Ebola crisis in Liberia. The exact timing of the well will be dependent on rig availability and when ExxonMobil can confirm third party contractors’ capability to operate in Liberia. The Company will provide further information as future events may arise. On September 23, 2015, the Company announced it had received a work program and budget for 2016 from ExxonMobil of its best estimate as to the timing of key activities. The well to be drilled under the Second Exploration Phase, Mesurado-1, is planned to spud no earlier than the fourth quarter of 2016. It is expected that ExxonMobil will finalize the rig contract and drilling timing target and report this during the next Operating Committee Meeting with COPL to be held in Houston in May 2016.

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.

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.

On February 20, 2015, ShoreCan entered into a commercial acquisition, ratified by the Ministry of Energy in Namibia, of an 80% interest in three blocks offshore Namibia. ShoreCan is to be the operator and will meet 100% of the exploration costs for the blocks 1708, 1709 and 1808 in the Namibe Basin. Situated north of the Walvis ridge on the Namibian/Angolan border, they are deepwater blocks on which ShoreCan will commence geological and geophysical evaluations on these blocks (the “Namibia project”).

On May 27, 2015, ShoreCan signed a memorandum of understanding ("MOU") on Equatorial Guinea Block EG-18 with the Minister of Mines, Industry and Energy (“MMIE”) in Malabo, Equatorial Guinea. A meeting to discuss the terms of a production sharing contract with the MMIE was held on February 10, 2016. The Company will provide further information as future negotiations permit.

On August 17, 2015, ShoreCan agreed to an acquisition in Nigeria, subject to the approvals of the Nigerian regulatory authorities, to acquire 80% of the issued share capital of a Nigerian oil company which holds 100% of the equity and titled interest of an oil appraisal and development project offering near term oil production, located in the Niger Delta province, offshore Nigeria. The transaction also provides that ShoreCan will take over management and operatorship of the asset. A nominal consideration to this company of $250,000 is being held in escrow until completion of certain conditions. The Company expects resolution of these conditions very shortly and the deal to proceed to final closing.

As more developments occur, the Company intends to update the market on its activities.

**** 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 $1.0 million for the three months ended March 31, 2016 (net of $42,000 of costs allocated to exploration projects) compared to $1.5 million for the same period in 2015 (net of $54,000 of costs allocated to exploration projects). The Company recognized interest income of approximately $3,000 for the three months ended March 31, 2016, compared to $8,000 in the same period in 2015. A derivative loss of $0.7 million was recognized for the three months ended March 31, 2016, compared to $8,000 gain in the same period in 2015. A foreign exchange loss of $46,000 was recognized for the three months ended March 31, 2016, compared to a foreign exchange loss of $0.4 million in the same period in 2015. There was a loss on the Company's investment in ShoreCan of $2,000 for the three months ended March 31, 2016, compared to $0.2 million in the same period in 2015. As a result, the Company's loss amounted to $1.8 million for the three months ended March 31, 2016, compared to a loss of $2.1 million for the three months ended March 31, 2015.

As at March 31, 2016, the Company's cash and cash equivalents amounted to $1.3 million. Cash used in investing activities amounted $40,000 for the three months ended March 31, 2016 compared to $0.4 million for the same period in 2015. Cash used in operating activities amounted to $0.7 million for the three months ended March 31, 2016 compared to $1.5 million for the same period in 2015.

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 with ExxonMobil to progress the planning of future drill locations in Liberia; and
- working to successfully conclude the variety of new opportunities available in sub-Saharan Africa.

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 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. With no assurance such financing will be obtained in 2016, there may be significant doubt the Company will be able 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.***

SELECTED QUARTERLY INFORMATION

DISCUSSION OF OPERATIONS

The Company has not had significant revenue from operations in any of its last two financial periods. The following table summarizes the Company's financial results for the three months ended March 31, 2016 and 2015:

($ 000's) except per share	Three months ended March 31, 2016	Three months ended March 31, 2015
Administrative expenses	**$ 1,038**	$ 1,501
Interest income	**(3)**	(8)
Derivative loss / (gain)	**654**	(8)
Foreign exchange loss	**46**	379
Loss on investment in joint venture	**2**	205
Net loss	**1,750**	2,132
Per share loss	**$ 0.00**	$ 0.01
Outstanding common shares at March 31	***482,339,196***	*402,050,497*
Weighted average common shares		
- basic	***482,339,196***	*402,050,497*
Cash used in operating activities	**$ 736**	$ 1,504

Administrative Expenses

A breakdown of administrative expenses is as follows:

($ 000's)	Three months ended March 31, 2016	Three months ended March 31, 2015
Administrative:		
Payroll and related costs	**$ 537**	$ 605
External directors' fees and related costs	**107**	137
Consulting services	**90**	188
Professional services	**43**	121
Travel expenses	**87**	178
Office expenses	**151**	215
Stock exchange and transfer agent fees	**26**	42
Other general and administrative	**39**	69
Costs allocated to exploration projects	**(42)**	(54)
Total administrative	**$ 1,038**	$ 1,501

Administrative expenses amounted to $1.0 million for the three months ended March 31, 2016, compared to $1.5 million for the same period in 2015, and are presented net of costs allocated to exploration projects, which amounted to $42,000 for the three months ended March 31, 2016 and $54,000 in the same period in 2015.

The decrease in administration expenses is mainly due to a reduction in expenses related to consulting and professional services, travel (including external directors' travel) and office expenses. In addition, payroll and related costs as well as travel expenses were lower due to the resignation of the CFO in August of 2015.

Interest Income

Interest income earned was $3,000 for the three months ended March 31, 2016, compared to $8,000 for the same period ended March 31, 2015. The interest income relates to interest earned on cash held at banks.

DISCUSSION OF OPERATIONS (CONTINUED)

*Derivative Gain**

On July 9, 2015, the Company issued 80,288,699 Common Share purchase warrants (“Warrants”), which entitle the holder to purchase one Common Share until July 9, 2017, at an exercise price of CAD $0.12 ($0.09). On July 9, 2015, the Company also issued 4,548,380 Common Share purchase warrants to its agents, which entitle the holder to purchase one Common Share until July 9, 2017, at an exercise price of CAD $0.09 ($0.07).

A derivative liability was recognized in relation to those warrants issued. The warrants’ exercise price is in CAD, the stock is traded in CAD and the Company’s functional currency is USD. As there is variability in these exchange rates the warrants are classified as derivative financial instruments.

As at March 31, 2016, the derivative financial instruments were revalued and a derivative loss of $0.7 million was recognized for the three months ended March 31, 2016, compared to a derivative gain of $8,000 for the same period in 2015. The estimated derivative liability as at March 31, 2016, is valued at $1.1 million (December 31, 2015 - $0.4 million) using a Black-Scholes option pricing model.
**** 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 loss of $46,000 was recognized for the three months ended March 31, 2016, compared to a $0.4 million loss for the same period in 2015, which relates mainly to the translation of cash and cash equivalents denominated in currencies other than USD.

Loss on investment in joint venture

The Company currently holds a 50% interest in a jointly controlled entity, ShoreCan. For the three months ended March 31, 2016, the Company charged ShoreCan $0.5 million of management and technical services which were included in ShoreCan’s general and administration expenses for the same period. This $0.5 million of revenue was reversed from the Company’s revenue and investment in joint venture.

For the three months ended March 31, 2016, the Company’s share of ShoreCan’s losses of $0.6 million (three months ended March 31, 2015 - $0.2 million) exceed the Company’s Net Investment of $2,000 for this period ($0.2 million for three months ended March 31, 2015). Accordingly, under the equity method, the Company recognized its share of ShoreCan’s losses of $2,000 for the three months ended March 31, 2016 ($0.2 million for three months ended March 31, 2015).

COMPARATIVE FINANCIAL POSITION ITEMS

The following table summarizes the Company’s financial position as at March 31, 2016 and December 31, 2015:

($ 000’s) except per share	March 31, 2016	December 31, 2015
Cash and cash equivalents	**$ 1,318**	$ 2,015
Exploration and evaluation assets	**16,496**	16,455
Total assets	**18,260**	18,998
Non-current financial liabilities	**1,084**	367
Share capital	**(120,730)**	(120,730)
Shareholders’ equity	**$ (15,519)**	$ (17,207)

Economic and industry factors and their respective impact on the Company for the quarter ended March 31, 2016, are substantially unchanged since the year ended December 31, 2015.

COMPARATIVE FINANCIAL POSITION ITEMS (CONTINUED)

Cash and Cash Equivalents

The decrease in cash and cash equivalents of $0.7 million during the first three months of 2016 relates mainly to administrative costs.

Investment in joint venture

The Company's investment in joint venture, relates to 50% share of ShoreCan, the jointly controlled entity and represents 50% share in ShoreCan's non-current assets, exploration and evaluation assets, offset by current and non-current liabilities of ShoreCan. As the Company's share of the net liabilities in ShoreCan exceeded the Company's interest as at March 31, 2016, 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.

Exploration and Evaluation Assets

Exploration and evaluation assets ("E&E Assets") of $16.5 million relate to the Liberia project as at March 31, 2016, compared to $16.4 million as at December 31, 2015. The increase in E&E Assets for the first three months of 2016 relate to capitalized geological evaluation work in respect of this project in Liberia.

Total Assets

Total assets decreased by $0.7 million from $19.0 million as at December 31, 2015 to $18.3 million as at March 31, 2016. This decrease is a result of the $0.7 million decrease in cash and cash equivalents, prepaids and accounts receivable, while partially offset by the increase in the value of the capitalized E&E Assets.

Share Capital and Shareholders' Equity

The decrease in shareholders' equity of $1.7 million from December 31, 2015 relates to the net loss for the three months ended March 31, 2016.

Subsequent to quarter end, the Company issued total of 123,724,011 common shares further to a private placement closed on April 28, 2016 and May 3, 2016 for a total gross proceeds of $6.8 million (discussed in "Share Capital" section).

As at May 12, 2016, the Company has 606,063,207 Common Shares issued and outstanding.

SUMMARY OF QUARTERLY RESULTS

Eight Most Recent Quarters:

($ 000's)	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Revenue	3	21	9	3
Loss	(1,750)	(1,943)	(980)	(1,629)
Loss per share - basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)

($ 000's)	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
Revenue	8	16	6	1
Loss	(2,132)	(1,848)	(2,017)	(1,777)
Loss per share - basic & diluted	(0.01)	(0.00)	(0.01)	(0.01)

The revenue in all quarters consists of interest income earned on cash balances. The 2016 quarter loss represents the Company's administrative costs, depreciation, loss on the revaluation of the derivative and a foreign exchange loss. The first quarter of 2016 includes a net loss on investment in ShoreCan of $2,000.

SUMMARY OF QUARTERLY RESULTS (CONTINUED)

The 2015 quarterly losses mainly represent the Company's administrative costs, depreciation, pre-licence costs and foreign exchange losses, as well as a loss on investment in ShoreCan, all of which are offset by a gain on the derivative liabilities. The third quarter 2015 loss is lower due to pre-licence costs recovery and significantly higher derivative liability gains. As well, the net loss on investment in ShoreCan was only $29,000 in the third quarter of 2015, compared to net losses of $0.7 million in the fourth quarter, $0.1 million in the second quarter and $0.2 million in the first quarter of 2015.

The 2014 quarterly losses mainly represent the Company's administrative, pre-license costs and fluctuating foreign exchange gains or losses. During the third quarter of 2014, the Company derecognized previously capitalized evaluation and exploration assets of $0.7 million related to its New Zealand license (New Zealand operation was terminated in 2015), which was offset by a foreign exchange gain of $0.6 million. Administrative expenses in the third quarter of 2014 were higher due to increased consulting fees related to financing and international travel for new projects. During the fourth quarter of 2014, the net loss was down due to the absence of the derecognition of the exploration and evaluation expense offset by an increase in administrative expenses due to increased professional fees and international travel for new projects.

FINANCIAL INSTRUMENTS*

The Company's financial instruments consist of cash, short-term deposits, credit card and other deposits, loans, 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.

SHARE CAPITAL

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

As at March 31, 2016, there were 482,339,196 Common Shares issued and outstanding.

As at March 31, 2016, the Company also had the following outstanding securities other than Common Shares:

- 136,280,968 share purchase warrants issued and outstanding to purchase Common Shares with an average exercise price of $0.19 per share and a remaining contractual life of 3 days to a year and a five months; and

- 9,025,000 stock options issued and outstanding to purchase Common Shares with an average exercise price of $0.24 per Common Share and a remaining contractual life of three months to two years and six months.

Subsequent to quarter end, on April 4, 2016, a total of 888,889 Common Share purchase warrants issued to the Company's agent (further to 2014 public offering), expired unexercised.

Subsequent to quarter end, the Company closed a private placement for a total gross proceeds of $6.8 million in two tranches as follows.

SHARE CAPITAL (CONTINUED)

On April 28, 2016, further to first tranche of the private placement to investors in the United Kingdom and on a non-brokered basis (“Non-Brokered Offering”), the Company issued 22,857,143 units at a price of GBP 0.035 ($0.051) for gross proceeds of GBP $0.8 million ($1.2 million). Each unit consists of one common share in the capital of the Company (“Common Share”) and one share purchase warrant (“Non-Brokered Offering Warrant”). Each Non-Brokered Offering Warrant entitles the holder thereof to purchase one Common Share at an exercise price of GBP $0.0475 ($0.0695) per Common Share on or before the date that is 24 months following the closing date.

In connection with the Non-Brokered Offering, the Company paid a cash finder’s fee of GBP $0.1 million ($0.2 million) and issued 1,177,114 warrants (the Finder’s Warrants”) as compensation warrants. Each Finder’s Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of GBP 0.035 ($0.051) per Common Share on or before the date that is 24 months following the closing date. Other expenses related to the Non-Brokered Offering of Units are estimated at approximately GBP $0.2 million ($0.2 million).

On May 3, 2016, further to a brokered portion of the private placement in Canada (“Brokered Offering”), the Company issued 100,866,868 units at a price of CAD 0.07 ($0.055) for gross proceeds of CAD $7.1 million ($5.6 million). Each unit consists of one common share in the capital of the Company (“Common Share”) and one share purchase warrant (“Brokered Offering Warrant”). Each Brokered Offering Warrant entitles the holder thereof to purchase one Common Share at an exercise price of CAD 0.095 ($0.075) per Common Share on or before the date that is 24 months following the closing date.

In connection with the Brokered Offering, the Company paid a cash commission to its Agents of CAD 0.4 million ($0.3 million) and issued 5,233,206 warrants (the “Agents’ Warrants”) as compensation warrants. Each Agents’ Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of CAD 0.07 ($0.055) per Common Share on or before the date that is 24 months following the closing date. Other expenses related to the Brokered Offering of units are estimated at approximately CAD 0.2 million ($0.2 million).

COMMITMENTS AND CONTRACTUAL OBLIGATIONS*

As at March 31, 2016, 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	**1,866**	509	1,018	339	-

The Company is committed under an operating lease agreement for the rental of office space in Calgary, Canada. The approximate lease payments total $1.9 million and are payable over the next four years.

As at March 31, 2016, the jointly controlled entity ShoreCan, in which the Company holds a 50% interest in, has commitments of $0.2 million for annual license fees due in the fourth quarter of 2016 and $7.0 million which relate to a minimum work programme to be carried out by the second quarter of 2017, under its exploration license in Namibia. In the event that the acquisition of seismic data does not occur in accordance with the work programme, there is no financial penalty to ShoreCan and the license is subject to forfeiture after that date. ShoreCan has capitalized costs in Namibia of $0.5 million as at March 31, 2016 (December 31, 2015 - $0.5 million).

***** *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 March 31, 2016, the Company had a working capital deficit of approximately $40,000, shareholders' equity of $15.5 million and cash of $1.3 million.

For the three months ended March 31, 2016, the Company's cash used in operating activities amounted to $0.7 million compared to $1.5 million for the three months ended March 31, 2015, and related mainly to administrative costs.

Subsequent to quarter end, the Company issued total of 123,724,011 common shares further to a private placement closed on April 28, 2016 and May 3, 2016 for a total gross proceeds of $6.8 million (discussed in details in "Share Capital" section).

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 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 critical accounting estimates is contained in the audited consolidated financial statements for the years ended December 31, 2015 and 2014.

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.

No material changes in the Company's ICFR were identified during the three month period ended March 31, 2016, 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
Norman Deans, BEng. – Vice President, Operations
Faralee A. Chanin, LL.B., M.B.A. - Corporate Secretary