CANADIAN OVERSEAS PETROLEUM LIMITED

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2021

March 31, 2022

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ABBREVIATIONS AND CONVERSIONS

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
bbl	barrel[1]	mcf	thousand cubic feet
bbls	barrels	Mmcf	million cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
Mbbls	thousand barrels	Mmcf/d	million cubic feet per day
MMbbls	Million barrels	GJ	Gigajoule
NGLs	natural gas liquids	GJ/d	Gigajoules per day
boe	barrels of oil equivalent[2]	mmbtu	million British thermal units
boe/d	barrels of oil equivalent per day		
Mboe	thousand barrels of oil equivalent		

Notes:

(1) Each barrel represents 34.972 Imperial gallons or 42.0 US gallons.

(2) The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf of natural gas to one bbl of crude oil or NGLs is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Other

WTI	West Texas Intermediate crude oil, a benchmark oil price determined at Cushing, Oklahoma.
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
ha	hectares
km^2	square kilometres
Psi	pounds per square inch
mD	millidarcy unit of permeability
m	metres
M$	thousands of dollars
MM$	millions of dollars

Conversions

The following table sets forth certain conversions between Standard Imperial units and the International System of units (metric units):

From	To	Multiply By
mcf	cubic metres	28.174
mcf	GJ	1.055
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.289
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

ANALOGOUS INFORMATION

In certain sections of this Annual Information Form, including without limitation "*Description of the Business*", the Company provides certain historical information concerning reserves or resources, estimates of the volume of reserves or resources, production estimates, historical production amounts, well tests and other information, which may be "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources that the Company believes are predominantly independent in nature and for which references to such information sources have been provided in such sections. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with the Canadian Oil & Gas Evaluation Handbook. In addition, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. The Company believes that the provision of this analogous information is relevant to the Company's activities, given its ownership interests and operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Company's activities in these areas will be successful to the extent in which operations in the areas in which the analogous information is derived from were successful, or at all.

DEFINITIONS

The capitalized terms set forth below have the following meanings:

"**Agamore**" means Agamore Energy Limited.

"**Agent**" means ABC Funding, LLC.

"**AIF**" or "**Annual Information Form**" means this annual information form of the Company for the year ended December 31, 2021, dated March 31, 2022.

"**Articles**" means the articles of incorporation of the Company, as amended from time to time.

"**Atomic**" means Atomic Oil & Gas LLC.

"**Atomic Acquisition**" means the purchase of the Atomic Group.

"**Atomic Group**" means Atomic, SWP and Pipeco.

"**Audit Committee**" means the audit committee of the Company.

"**BFU**" means the Barron Flats Shannon Unit in the Powder River Basin in Wyoming, US.

"**BFDU**" means the Barron Flats Federal Deep Unit in the Powder River Basin in Wyoming, US.

"**Block PT5-B**" means the 4,356 km^2 onshore block located on the Mozambique coastal plain, 750 km north of the capital of Maputo and surrounding the north, west and south west margins of the Pande gas field.

"**Block OPL 226**" means the offshore block 226 in Nigeria.

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**Canadian dollars**" **or** "**CAD$**" means Canadian dollars, being the lawful currency from time to time of Canada.

"**CCU**" means the Cole Creek Unit in the Powder River Basin in Wyoming, US.

"**CEO**" means Chief Executive Officer.

"**CEO Debenture**" has the meaning ascribed thereto under the heading "*General Developments of the Business – Year-Ended December 31, 2020*".

"**CFO**" means Chief Financial Officer.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook.

"**CNOOC**" means China National Offshore Oil Corporation.

"**Common Share**" or "**Common Shares**" means, respectively, one or more common shares in the capital of COPL.

"**Compensation Committee**" means the compensation committee of the Company.

"**COPL**" or the "**Company**" means Canadian Overseas Petroleum Limited.

"**COPL America**" means COPL America Inc., incorporated on February 23, 2021.

"**COPL America Holding**" means COPL America Holding Inc., incorporated on February 23, 2021.

"**COPL Bermuda**" means Canadian Overseas Petroleum (Bermuda) Limited.

"**COPL Bermuda Holdings**" means Canadian Overseas Petroleum (Bermuda Holdings) Limited.

"**COPL Namibia**" means Canadian Overseas Petroleum (Namibia) Limited.

"**COPL Ontario**" means Canadian Overseas Petroleum (Ontario) Limited.

"**COPL Technica**l" means COPL Technical Services Limited.

"**COPL UK**" means Canadian Overseas Petroleum (UK) Limited.

"**COPL Group**" means as of December 31, 2021, the following: COPL, COPL America, COPL America Holding, COPL Bermuda, COPL Bermuda Holdings, COPL Namibia, COPL Ontario, COPL Technical, COPL UK, Atomic, SWP, Pipeco and a 50% interest in ShoreCan.

"**Corporate Governance and Nominating Committee**" means the corporate governance and nominating committee of the Company.

"**CSE**" means the Canadian Securities Exchange.

"**Cuda LLC**" means Cuda Energy LLC.

"**Cuda**" means Cuda Oil and Gas Inc.

"**Directors**" means the directors of the Company.

"**Executive Order**" means executive order signed on January 28, 2021 by the President of the United States.

"**EITI**" means the Extractive Industries Transparency Initiative.

"**ENI**" means ENI S.p.A.

"**Eocene**" means a geologic epoch that lasted from 56 million to 34 million years ago in the Cenozoic Era.

"**Essar Nigeria**" means Essar Exploration and Production Limited (Nigeria).

"**Essar Nigeria Shareholders Agreement**" means the shareholders agreement dated August 17, 2015 between ShoreCan and Essar Nigeria.

"**Essar Mauritius**" means Essar Exploration and Production Limited (Mauritius), the company that owns 20% of Essar Nigeria shares.

"**Essar Transaction**" means the implementation of the In Principle Settlement Agreement which the Company announced on August 4, 2020 that ShoreCan and Essar Mauritius entered into to resolve their disputes. ShoreCan and Essar Mauritius have agreed to extend the completion date of the definitive agreements on various occasions, most recently to December 31, 2021.

"**First E&P**" means First Exploration & Petroleum Development Co. Ltd.

"**Health, Safety and Environment Committee**" means the health, safety and environment committee of the Company.

"**Holder**" means Arthur Millholland, President and CEO of the Company and the holder of the Note and subsequently, the CEO Debenture.

"**Issue Date**" means February 14, 2020, the date the Note was issued.

Leasehold" means the Wyoming Assets consist of operating working interests in approximately 43,286.2 acres of contiguous leasehold in Wyoming, US as at December 31, 2021. The Leasehold is a combination of (i) Fee Simple Freehold Leases; (ii) State of Wyoming Leases; and (iii) Federal Leases.

"**Lender Warrant**" has the meaning ascribed thereto under the heading "*General Developments of the Business – Year-Ended December 31, 2020*".

"**Lender Warrant Agreement**" has the meaning ascribed thereto under the heading "*General Developments of the Business – Year-Ended December 31, 2020*".

"**Lessees**" means the working interest holders.

"**Lessors**" means the owners of Fee Simple Freehold Leases, State of Wyoming Leases and Federal Leases.

"**Lender**" means collectively, Summit Partners Credit Fund III, L.P.; Summit Investors Credit III (UK), L.P.; and Summit Investors Credit III, LLC.

"**LIBOR**" means the London Interbank Offered Rate.

"**LSE**" or "**London Stock Exchange**" means the London Stock Exchange plc.

"**Maturity Date**" means the maturity date of the Note, which was six months from the Issue Date.

"**MCTO**" means a management cease trade order.

"**Noa West**" means the Noa West prospect area in Nigeria identified in the NSAI Report.

"**Noa East**" means the Noa East prospect area in Nigeria identified in the NSAI Report.

"**Note**" means the promissory note between the Holder and Company.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

"**NNPC**" means the Nigerian National Petroleum Corporation.

"**NSAI**" means Netherland, Sewell & Associates, Inc., independent reserves auditors.

"**NSAI Report**" means the report as of December 31, 2021 on the "Estimates of Contingent and Prospective Resources to the Canadian Overseas Petroleum Limited Interest in Certain Discoveries and Prospects Located in Oil Prospecting License 226 Offshore Nigeria" prepared by NSAI.

"**NYSE**" means the New York Stock Exchange.

"**OML**" means an Oil Mining Licence.

"**OPEC**" means the Organization of Petroleum Exporting Countries.

"**OPL**" means an Oil Prospecting Licence.

"**OPL 226**" means Oil Prospecting License in respect of Block OPL 226 in Nigeria.

"**OPL 226 Transaction**" means the acquisition of 80% of Essar Nigeria shares by ShoreCan on September 13, 2016.

"**Options**" means the options to purchase Common Shares granted under the Company's Stock Option Plan.

"**Other Disclosure**" means any other periodic disclosure required to be filed pursuant to section 146 of the *Securities Act* (Alberta) while the MCTO is in effect.

"**Paleocene**" means a geologic epoch that lasted from 65 million to 56 million years ago in the Cenozoic Era.

"**Pipeco**" means Pipeco LLC.

"**Preferred Shares**" means preferred shares in the capital of the Company.

"**Pounds Sterling**" or "**GBP**" or "**£**" means pounds sterling, being the lawful currency of the United Kingdom.

"**PSC**" means production sharing contract.

"**Q121 Interim Filings**" means the unaudited interim financial statements and the applicable CEO and CFO certifications in respect of such filings for the period ended March 31, 2021 and any Other Disclosure.

"**Q221 Interim Filings**" means the unaudited interim financial statements and the applicable CEO and CFO certifications in respect of such filings for the period ended June 30, 2021 and any Other Disclosure.

"**Recent**" means the latest Holocene geological epoch – that is only 11,500 years old.

"**Reserve Committee**" means the reserve committee of the Company.

"**Ryder Scott**" means Ryder Scott Company an independent qualified reserves evaluator and auditor.

"**Ryder Scott Report**" means the report as of December 31, 2021 on the "Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests". The report relates to the Wyoming oil fields of Barron Flats, Cole Creek and Federal Deep held by the Atomic Group.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at www.sedar.com.

"**Share Consolidation**" has the meaning ascribed thereto under the heading "*The Company - Name, Incorporation and Address*".

"**Shareholder**" or "**Shareholders**" means, respectively, one or more holders of Common Shares from time to time.

"**ShoreCan**" means Shoreline Canoverseas Petroleum Development Corporation Limited, the joint venture company in which COPL, through its wholly-owned subsidiary COPL Bermuda Holdings, and Shoreline each hold a 50% interest.

"**Shoreline**" means Shoreline Energy International Limited, the Group's joint venture partner in ShoreCan.

"**Stock Option Plan**" means the stock option plan of the Company.

"**SWP**" means Southwestern Production Corp.

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**UK Prospectus**" means the prospectus dated August 11, 2021.

"**Unit**" means an amalgamation of coordinated operations of petroleum reserves and resources by all of the different leaseholders and owners through cooperative rather than competitive mechanisms to assure the maximum recovery of hydrocarbons.

"**UOA**" means the Unit operating agreement.

"**US**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.

"**USD**", "**US$**" or "**US dollars**" means United States dollars, being the lawful currency of the United States.

"**USGS**" means United States Geological Society.

"**Warrant**" or "**Warrants**", means one or more Common Share purchase warrants of the Company, each such warrant entitling the holder thereof to purchase one Common Share at a specified exercise price prior to the specified expiry date**.**

"**West African Transform Margin**" means the large, tectonically-constrained area bound by a series of major fracture zones that were formed during the separation of the African and American continents during the late Jurassic to Cretaceous periods in geologic history. This margin, which has approximately 2,200 kilometers of coastline, extends from Sierra Leone in the north to the edge of the Niger Delta in the south.

"**Wyoming Assets**" means the assets owned by the Atomic Group.

"**YARF**" means Yorkville Advisors Global and Riverfort Global Opportunities PCC.

"**2020 Annual Filings**" means the audited annual financial statements and the applicable CEO and CFO certifications in respect of such filings for the financial year ended December 31, 2020.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this AIF constitute forward-looking information and statements. In some cases, forward-looking information and forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "predict", "project", "should", "target", "will", or similar words suggesting future outcomes or language suggesting an outlook. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of the COPL Group, future production and grades, the economic limit or viability of assets, projections for sales growth, estimated revenues, reserves and resources, targets for cost savings, the construction cost of new projects, the timing and outcome of exploration projects and drilling programs, projected capital expenditures, transportation costs, the timing of new projects, the outcome of legal proceedings, the integration of acquisitions, future debt levels, fiscal regimes, the outlook for the prices of hydrocarbons, the outlook for economic recovery and trends in the trading environment, statements about strategies, cost synergies, revenue benefits or integration costs and production capacity of the COPL Group and the industry and countries in which the COPL Group operates. The projections, estimates and beliefs contained in such forward-looking information and statements necessarily involve known and unknown risks and uncertainties 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 information and statements. Operating conditions can have a significant effect on the timing of events. Accordingly, investors are cautioned that events or circumstances could cause results to differ materially from those predicted. The Board believes the expectations reflected in those forward-looking information and statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information and statements included in this AIF should not be unduly relied upon.

In particular, this AIF contains forward-looking information and statements pertaining to the following:

- expectations regarding the ability to raise capital and obtain the financing necessary to continue its operations;
- timing of any potential financings, including: offerings, private placements or contributions of funds by existing Shareholders;
- the effects of the 2019 novel coronavirus ("**COVID-19**") pandemic;
- the COPL Group's strategic growth strategy, strength and focus;
- the COPL Group's short-term operations;
- expectations to add reserves through acquisitions and development;
- expanding operations into other jurisdictions, including, without limitation, sub-Saharan, Africa;
- the dividend policy of the Company;
- operating results and future performance of the Company;
- cost sharing arrangements with joint operators;
- the COPL Group's commitments under the Atomic Acquisition, including without limitation debt and financing arrangements for the Wyoming Assets;
- the COPL Group's commitments under the OPL 226 Transaction, including without limitation debt and financing arrangements for OPL 226;
- the timing of obtaining consent to OPL 226 Transaction from the Nigerian Government and the work program under OPL 226;
- the ability to secure an extension of the OPL 226 phase 1 exploration period and complete the Essar Transaction, including without limitation the Company's 10% carried interest therein;
- the ability to reach an agreement on legally binding documents for financing the OPL 226 project and related security documentation;
- the potential reward for undiscovered oil and gas deposits in the West African Transform Margin;
- the invalidity of Agamore's claim to a 37% interest in OPL 226;
- the Company's view of recent events in Mozambique and the business environment and its decision not to pursue the licence notionally awarded there;
- information in respect of prospective resources the COPL Group may have, including disclosure of the NSAI Report;
- anticipated forthcoming activity in the oil and natural gas industry in the fields in which the COPL Group operates;
- the size of the oil, natural gas and natural gas liquids reserves and the ability to commercially exploit the reserves;
- drilling and exploitation timelines;
- reserve estimates in respect of the BFU and the CCU;
- information in respect of reserves the COPL Group may have, including disclosure of the Ryder Scott Report;

- oil and natural gas production levels;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- the significant follow-up potential for a discovery well in the Noa West and Noa East prospect areas that were identified in the NSAI Report;
- the COPL Group's ability to manage its financial and operations risks;
- anticipated use of funds obtained from financings;
- the COPL Group's intention in respect of maintaining sufficient insurance;
- treatment under governmental regulatory regimes, tax laws and environmental regulations;
- tax horizon and future income taxes and timelines related thereto;
- capital expenditure programs;
- abandonment and reclamation costs and timelines related thereto;
- the impact of the Atomic Acquisition on our operations, opportunities, financial condition and overall strategy;
- expectations with respect to production for the Wyoming Assets and the Company's strategies and plans to increase production on such assets;
- the COPL Group's interpretation of the seismic, geological, geophysical and structural characteristics of each of the Wyoming Assets and OPL 226;
- capacity of infrastructure;
- COPL Group's belief in respect of the Executive Order's effect and impact on the Atomic Acquisition;
- the performance characteristics of our oil and natural gas properties and of the oil and natural gas properties comprising the Wyoming Assets; and
- the quantity of the oil and gas reserves associated with the Wyoming Assets.

Statements relating to "reserves" and "resources" are deemed to be forward-looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future.

Forward-looking information and statements are based on the Company's current beliefs as well as assumptions made by, and information currently available to, the Company concerning future oil and natural gas production levels, future commodity prices, the ability to add oil and natural gas reserves through farm-in, acquisition and/or drilling at competitive prices, future exchange rates, the cost and availability of equipment and services in the field, the impact of increasing competition and the ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking information and statements as a result of the risk factors set forth below and discussed more extensively elsewhere in this AIF:

- availability of capital to fund future operations;
- the effects of COVID-19;
- volatility in market prices for crude oil and natural gas;
- failure to obtain government consent to the OPL 226 Transaction;
- failure to obtain debt and other financing for the COPL Group's operations and for OPL 226;
- estimates of resources and reserves;
- accuracy of oil and gas reserve estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- access to production facilities;
- status and stage development of the COPL Group;
- reliance on key individuals;
- unforeseen title defects and disputes;
- adequacy of insurance;
- negative operating cash flow;
- possible failure to realize anticipated benefits of acquisitions;
- marketability of crude oil and natural gas;
- availability of equipment and access restrictions;
- nature of reserves and additional funding requirements;
- cybersecurity and terrorism;
- project risks;
- third party credit risk;
- operating hazards and other uncertainties;
- competition;
- joint property ownership and joint venture risks;

- access to production facilities;
- global financial instability;
- alternatives to and changing demand for petroleum products;
- interest rate cash-flow risk;
- geo-political change;
- foreign operations;
- operating in African countries;
- the COPL Group's business in jurisdictions with inherent risks relating to fraud, bribery and corruption;
- changes in government policy that could have a negative impact on the COPL Group's business;
- permits, licences, approvals and authorizations;
- the COPL Group's exposure to the risk of changes in laws in the jurisdictions where it operates;
- working with local communities and indigenous peoples on property onshore;
- the COPL Group may experience delays in production, marketing and transportation;
- the COPL Group cannot accurately predict its future decommissioning liabilities;
- tax regimes in certain jurisdictions are subject to differing interpretations and are subject to change;
- foreign currency exchange risk;
- market access constraints and transportation;
- governmental regulation;
- environmental regulations;
- climate change;
- country specific political risk in the United States and Nigeria;
- share price volatility;
- liquidity of the Common Shares and realization of investment in Common Shares;
- debt covenants of the Company may be exceeded with no ability to negotiate covenant relief;
- dilution and further sales of Common Shares; and
- the risk factors set forth in "*Risk Factors*".

With respect to forward-looking information and statements contained in this Annual Information Form, COPL has also made assumptions regarding, among other things, the willingness of operators to conduct operations on certain properties in foreign jurisdictions; future oil and gas prices or cost of products sold; ability to obtain required capital to finance exploration, development and operations; the ability to maintain sufficient funds to continue the operations of the COPL Group; the timely receipt of any required regulatory approvals; ability to obtain drilling success consistent with expectations; the ability of COPL Group to secure adequate product transportation; no material variations in the current tax and regulatory environments; and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking information and statements and other information contained herein concerning the oil and gas industry and COPL's general expectations concerning this industry are based on estimates prepared by management of COPL, using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry, which COPL believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While COPL is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

The above summary of major risks and assumptions, related to forward-looking information and statements included or incorporated by reference in this AIF has been provided for readers to gain a more complete perspective on the COPL Group's future operations. However, readers should be cautioned that the above list of factors is not exhaustive, and that this information may not be appropriate for other purposes. Forward-looking information and statements included or incorporated by reference in this AIF are valid only as at the date of this AIF, and the Company does not intend to update or revise these forward-looking information and statements except as required by applicable securities laws. The forward-looking information and statements contained in this AIF are expressly qualified by this cautionary statement.

NOTE REGARDING INDUSTRY INFORMATION

In certain sections of this AIF, including without limitation "*Description of the Business*", "*Oil and Gas Properties*" and "*Risk Factors*", the Company provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by management on the basis of its knowledge of the areas in which the COPL Group operates. This third-party source information is derived from publicly available information sources that the Company believes are predominantly independent in nature. Historical, market and industry data and forecasts generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. The Company believes that the provision of this third-party source information is relevant to understanding the environment in which the COPL Group's activities, business and operations are carried out, however, readers are cautioned that there is no certainty that any of the COPL Group's activities in these areas will be successful to the extent in which operations in the areas in which the third-party source information is derived from were successful, or at all.

THE COMPANY

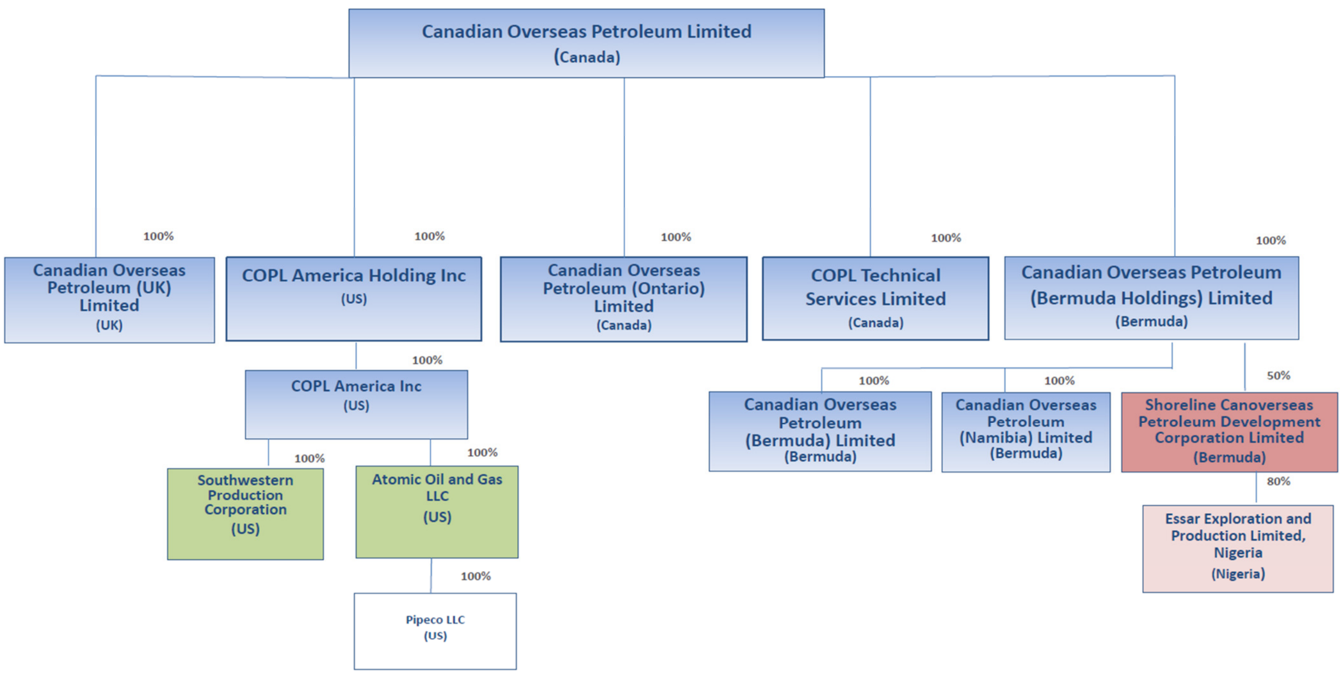
Name, Incorporation and Address

Canadian Overseas Petroleum Limited was incorporated under the *Canada Business Corporations Act* on July 8, 2004 under the name Aureus Ventures Inc. The Company changed its name to Velo Energy Inc. on July 5, 2006, and to Canadian Overseas Petroleum Limited on July 22, 2010. The Common Shares were consolidated on July 23, 2010 on the basis of one post-consolidation Common Share for every four pre-consolidation Common Shares. The Common Shares were consolidated on October 1, 2021 on the basis of one post-consolidation Common Share for every 100 pre-consolidation Common Shares (the "**Share Consolidation**"). COPL's head office is located at Suite 3200, 715 – 5th Avenue S.W. Calgary, Alberta T2P 2X6 and its registered office is located at Suite 400, 444 – 7 Ave, SW, Calgary, Alberta T2P 0X8.

As described more fully below, COPL is an oil and gas exploration/appraisal, development and production company focused in the United States and sub-Saharan Africa. 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. Some technical and project related functions are provided by COPL UK. COPL Bermuda Holdings, COPL Bermuda and COPL Namibia were incorporated for operations offshore in Liberia and potential opportunities elsewhere in Africa. COPL Ontario was incorporated under the laws of Ontario in December of 2017 for the purposes of providing COPL with a vehicle with which it may act on potential acquisition opportunities in Canada. On February 23, 2021, two additional subsidiaries COPL America Holding and COPL America were incorporated for the purpose of oil and gas operations in the US in connection with the Atomic Acquisition.

Intercorporate Relationships

The following diagram sets forth the names of COPL's subsidiaries, their jurisdiction of incorporation and the percentage and voting ownership held by COPL in each subsidiary. As of December 31, 2021, COPL had eleven wholly-owned direct and indirect subsidiaries: (i) COPL Technical, incorporated under the *Business Corporations Act* (Alberta); (ii) COPL UK, which is registered under the laws of England and Wales; (iii) COPL Bermuda Holdings, which is registered under the laws of Bermuda; (iv) COPL Bermuda, which is registered under the laws of Bermuda; (v) COPL Namibia, which is registered under the laws of Bermuda (considered to be dormant as of December 31, 2021 and was subsequently dissolved on March 1, 2022); (vi) COPL Ontario, which is registered under the laws of Ontario; (vii) COPL America Holding, which is registered under the laws of the State of Delaware; (viii) COPL America, which is registered under the laws of the State of Delaware; (ix) Atomic, which is registered under the laws of the State of Colorado; (x) SWP, which is registered under the laws of the State of Colorado; and (xi) Pipeco, which is registered under the laws of the State of Wyoming. The Company, through its wholly-owned subsidiary COPL Bermuda Holdings, also holds a 50% interest in the ShoreCan joint venture company, which is registered under the laws of Bermuda. ShoreCan presently holds 80% of the shares of Essar Nigeria, which is registered under the laws of Nigeria and holds OPL 226.



DESCRIPTION OF THE BUSINESS

Business Objectives and Strategy

The Company's strategy is to increase production on its Wyoming Assets, initially through increased miscible gas injection at the BFU, followed by further drilling and development at the BFU, the CCU and the BFDU, and to grow its international oil and gas business in sub-Saharan Africa and elsewhere in the world by farming into and/or acquiring interests in, exploration, un-appraised and/or undeveloped assets as well as in producing assets using the expertise and experience of its senior management team.

Since its inception, the Company, both on its own and through its joint venture ShoreCan, has continuously explored potential development opportunities in various parts of Africa including in, among others, the United Republic of Tanzania, the Republic of Namibia, Equatorial Guinea, Liberia, Nigeria and Mozambique. In Nigeria, pending confirmation of the extension of the exploration period under the OPL 226 PSC by the appropriate governmental bodies and other customary conditions, ShoreCan will, on completion of the Essar Transaction, hold a 10% carried interest in OPL 226.

As at the date of this AIF, the COPL Group is focused on consolidation and growth of its recently acquired Wyoming Assets and the exploration and development of a project in Nigeria. The Company has discontinued its interest in a project at Block PT5-B in Mozambique in light of recent events in the country. In Mozambique, COPL and Shoreline (together, 57%), Bluegreen Holdings Ltd. (23%), Indico Dourado Lda. (10%) and the Mozambiqque Empresa Nacional de Hidrocarbonetos (10%) has been indicatively awarded rights to onshore Block PT5-B in the fifth licensing round. COPL was expected to act as the operator of the project. However, as noted above, following a recent review and the desire to prioritise development of assets in the US, COPL has decided not to pursue this opportunity and will advise stakeholders accordingly. Beyond COPL's prior pursuit of Block PT5-B, which the Company has ceased, the Company has no other operations or personnel in Mozambique nor any contractual obligations or outstanding liabilities in that country.

In order to execute its strategic growth strategy, the COPL Group plans to:

- exploit management's experience at finding and investing in high return exploration, appraisal or development opportunities focused primarily on oil;
- continue to evaluate opportunities on the West African Transform Margin, similar to OPL 226, that are focused on oil trapped in the Late Cretaceous sandstone reservoirs. As some parts of West Africa are relatively lightly explored, management is of the view that this has the potential to offer high reward for large, undiscovered oil and gas deposits;
- partner with other African operators to explore for, appraise and/or develop properties, in particular with respect to its existing interests in Nigeria;
- enter into joint ventures, with entities such as Shoreline, in an effort to diversify and balance its asset portfolio; and
- target desirable exploration and development prospects that contain similar seismic and geological characteristics of nearby existing discoveries or producing fields.

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

- continuing and increasing production of its Wyoming Assets;
- further developing the facilities to handle gas injection and increased production capacity at the BFU;
- recompleting up to 16 existing cased wells in the Cole Creek pool to increase oil production;
- drilling new wells in the BFU, CCU and BFDU pools;
- drilling of horizontal proven undeveloped locations in both the Dakota sand and Frontier sands that were mapped by Ryder Scott at Cole Creek;
- progressing the OPL 226 project in Nigeria; and
- evaluating new opportunities available in the US, Africa and elsewhere in the world.

Petroleum Production and Sales

During 2021, the Company's annual average production was 927 bbls/d and the product produced and sold by the Company was light oil, while its natural gas production is reinjected in a miscible flood recovery scheme in the BFU and NGL production is not measured separately.

The Company's average realized sales price during 2021 was $65.60/bbl for light oil and the petroleum sales, net of royalties amounted to $15.0 million. As the Company acquired the Wyoming Assets on March 16, 2021, there is no comparable petroleum sales data for 2020.

Specialized Skill and Knowledge

Having operations in the oil and natural gas industry means that the COPL Group requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration and operations, the COPL Group utilizes the expertise of geophysicists, geologists, petroleum engineers and negotiators. Domestically, COPL's headquarters are based in Calgary, Alberta, which is the center of Canada's energy industry. The COPL Group's exploration and development, however, are primarily based in the United States and Africa, areas in which international competitors include major integrated oil and gas companies and numerous other independent oil and gas companies. The COPL Group competes with these major competitors for skilled industry personnel and the COPL Group's competitors include companies that have greater financial and personnel resources available. In certain areas, government regulation also requires that a percentage of the employed workforce be comprised of residents of such areas. As a result, the COPL Group faces significant challenges in respect of attracting and retaining a sufficient number of skilled employees to meet its needs, in Alberta, the US and Africa and these challenges are anticipated to continue for the foreseeable future.

Environmental Protection and Regulation

Oil and gas operations such as those with which the COPL Group is involved, are subject to certain environmental laws and regulations at the federal, provincial/state and local levels. These laws and regulations generally require the

COPL Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling wells, pipelines and production facilities, decommissioning and remediating damage caused by the disposal or release of specified substances, and reclaiming former sites. Compliance with such legislation can require significant expenditures. A breach of such legislation may result in the imposition of material fines and penalties, the suspension or revocation of necessary licenses and authorizations, or civil liability for pollution damage or the issuance of clean-up orders. The COPL Group intends to operate in a manner intended to ensure that the COPL Group's projects meet appropriate environmental standards. The COPL Group did not incur any material expenditures in the past year as a result of environmental protection requirements, nor does it anticipate environmental protection requirements to have any material unanticipated financial or operational effects on the capital expenditures, earnings or competitive position of the COPL Group in 2022.

Economic Dependence

Oil production at the Wyoming Assets is sold, at present, pursuant to a single six month contract with a national oil marketing and transportation company, at market-based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The COPL Group has also entered into risk management contracts to manage exposure to commodity pricing risk with a third party by way of derivative contracts on butane and oil, until February 29, 2024. For more details refer below to "*Description of the Business – Pricing and Marketing of Oil*".

The COPL Group's interest in Nigeria is dependent on the terms of the oil prospecting license OPL 226 offshore Nigeria. ShoreCan will hold a net 10% interest following the Essar Transaction which could subject ShoreCan to various risks as a minority shareholder in Essar Nigeria, should the Essar Transaction be completed. The terms of ShoreCan's acquisition of its interests in Nigeria and the terms of the COPL Group's joint venture arrangements are discussed in more detail under the heading "*Description of the Business – Property Interests – Nigeria*".

Government Regulation

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of the COPL Group in a manner materially different than they would affect other oil and natural gas companies of a similar size operating in the geographic areas in which the COPL Group operates. A further discussion of some of the key considerations in respect of the regulatory environment in which the COPL Group operates is provided below in "*Risk Factors*".

Pricing and Marketing of Oil

The Company's revenue relates to oil production in Wyoming, US that is currently sold under a contract with SWP and one purchaser, and is based on monthly average of WTI for light sweet crude oil as quoted on New York Mercantile Exchange ("**NYMEX**") less negotiated differentials including transportation costs. SWP is an agent for certain non-operating joint interest owners and royalty owners, and receives and distributes revenue on their behalf.

Following the Atomic Acquisition of the Wyoming Assets, the Atomic Group's production is subject to risk management through derivative contracts as detailed in the COPL Group's 2021 audited annual financial statements. These risk management contracts are not entered into for trading nor speculative purposes.

Employees

As at December 31, 2021, COPL and its subsidiaries had a combined total of 23 employees. The acquisition of the Wyoming Assets effective December 1, 2020 increased staff levels from 10 to 23 including dedicated consulting personnel at the closing of the Atomic Acquisition.

Wyoming, USA

Barron Flats (Shannon Unit)

The BFU is located in Township 35 North, Range 76 West in Converse County, Wyoming and situated within the Powder River Basin about 25 miles northeast of Casper, Wyoming. The BFU reservoir was discovered by Chesapeake Energy and the original drive was limited to solution gas expansion. Primary production was increased to about 1,300 bbls/d to create voidage for miscible injection and the additional producing wells to achieve this production were drilled by the Atomic Group. Construction of the gas plant/injection facility commenced in late 2018 and the plant was commissioned in October 2019. Gas injection commenced in November 2019 through a single injection well and currently there are 8 injection wells, the last of which was placed online in December 2020.

The primary working interest holders in the BFU (Shannon Secondary Recovery Unit) are: Atomic (58.04%); Cuda LLC (26.98%); and CNOOC (14.43%). The primary working interest holders in the BFU Deep Unit are: Atomic (55.55%); Cuda LLC (27.77%); and CNOOC (16.66%). The operator of the BFU is SWP, which is a 100% owned subsidiary of Atomic. The Company acquired 100% of privately-held Atomic, SWP and Pipeco in a corporate transaction valued at US$54.0 million. See "*General Development of the Business-Three Year History-Atomic Acquisition*" for further details.

The upper Cretaceous Shannon Sandstone Member of the Cody Shale formation was deposited as clean sand during the Campanian time. The Shannon Sandstones form were deposited as conspicuous northwest to southeast trending clastic ridges that are over 100 feet in thickness, thousands of feet in width and tens of miles in length. The depositional environment for the Shannon is uncertain but could have involved deposition upon incised "ravinement" surfaces during a sea level low stand where sand was preserved in bathymetric lows, but were later eroded over bathymetric highs. The coarsening-upwards sequence characterize marine processes in the deposit. It was long believed that the Shannon sand trends were deposited in offshore bars that had been reworked by longshore currents.

The Shannon sand, generally, exhibits four separate depositional facies within it. From the top, facies 1 has the best reservoir potential because of its relatively high porosity and permeability and larger grain size. It is a trough cross bedded, glauconitic sandstone containing locally abundant shale rip-up clasts. Abundant glauconite in facies may produce a distinct green color. Facies 2 is characterized by discontinuous, horizontal, rippled sandstone and shale laminae that are truncated by horizontal, inclined burrows. This sand is also glauconitic and "greenish". Facies 3 lacks bedding and locally is mottled due to extensive burrowing. This zone is a mixture of argillaceous sand and silt. Facies 4 is made up of laminated or massive shale and rare sandstone lenses containing minor burrowing and current ripples. The shale may be dolomitic and this facies is barren of foraminifera.

Outcrops of the entire Shannon Sandstone Member have been mapped along the west side of the basin including outcrops in Natrona County, which is about 30 miles northwest from the BFU. The Shannon Sandstone Member is found to have a porosity range from near zero in argillaceous and bioturbated silt and sandy layers in facies 3, 4 to over 20% in clean, well-sorted, medium-grained sandstone in facies 1 and 2. Permeability ranges from less than 1 mD to more than 100 mD and an 8% porosity cut-off was used to delineate the Shannon pool in the BFU.

The Shannon Sandstone Field in the BFU is stratigraphically-trapped on the northern, eastern, and southern sides by a pinch out of the porosity in the upper Shannon zones. The trapping mechanism for the western edge of the BFU has been inferred by a northeast to southwest trending fault and covers about 30 square miles. Most of the wells in the production unit have Shannon net pay thicknesses ranging from 10 feet to 42 feet.

The original plan was to inject gas (60% methane and 40% propane and butane) at 3.5 Mmcf/d stepping up to 5.0 Mmcf/d. This was based on the original pre-injection simulation. Following COPL's acquisition of the property, the initial focus to achieve production increases was to increase injection rates into the BFU injectors to as much as 10 Mmcf/d. The reservoir simulation modelling work and the actual performance of the field suggested early on that increasing gas injection rates into the injectors would have a significant effect on accelerating increased oil production. Indeed, the effects of backing off on the injection rates at various times could be seen as a direct correlation to lower field production levels. Thus, the injection plan had been to try and keep the total injection rates as high as facility and well limitations would allow. Due to gas and liquids supply issues, and gas gathering system constraints, the average injection rate for the last 6 months since August 2021 has been just over 6.8 Mmcf/d.

During the same period, the costs of butane liquid purchases required for the higher injection rates became increasingly more expensive, to the point where economic feasibility of the flood operation was being compromised. Updated simulation modelling was performed because of these two "new realities" to investigate the effect of lower injection rates and the drastic cutting back of liquids use in the mix stream. It was found that the need for a continuous mix of 30% liquids was not necessarily required due to a sizable initial liquids bank built up in the initial injection period. Rather, a scheme of a much leaner dry gas stream could be used to push the miscible oil towards the producer wells. Switching to an "all dry gas" scheme for the rest of the project life is not considered feasible, since any new producers will require an initial miscible mixture to efficiently sweep the oil that could be left behind in the reservoir.

As a prudent way forward, after 2022, a slightly leaner 80%/20% mixture of gas and liquids will still be "spiked" into the injectors for 6 months, and then cut off once again for dry gas injection for the rest of the year. This cycling of the gas/liquids mixture is expected to continue for approximately the next 5 years. The overall effect of this strategy is to ensure the economic viability of the project by reducing the purchased products costs, while minimizing the effect on reserves recovery overall. It is expected that the injection rates will generally be kept below

10 Mmcf/d, and simulation work suggests that more meaningful gains in production and recovery will result from converting more and more producers to gas injectors to access unswept areas of the reservoir. Simulation work will be a continuous process as new data comes in from the field response, and plans will be shifted as appropriate. All of the purchased gas and liquids will eventually be sold to market, as the miscible flood acts as a storage mechanism until that point.

Another significant component of the remaining field development is the planned development drilling program for 2022 and 2023. After remapping the field, reservoir simulation modelling and Ryder Scott analysis, a list of 19 locations were chosen as the best candidates. To optimize capital spending, and to limit the logistics of a large amount of work in one year, it was decided to drill nine wells in 2022 (eight producers and one injector), and the remaining 10 wells in 2023 (nine producers and one injector). The first nine wells in 2022 are considered to be the best candidates from the remaining locations. They will also serve to give valuable information on the accuracy of the geological mapping and simulation model prior to launching into the final 10 locations. Also included in the plans is the conversion of an existing producing well to gas injection in 2022. As things are fluid with the simulation modelling work, a possible scenario in 2023 is the replacement of a few of the planned new wells with existing producer to injector conversions. Ongoing simulation work suggests that converting existing producing wells to gas injectors may give a better sweep efficiency for the field and yield more reserves. Costs for conversions would be significantly less than cost to drill a new well.

In the past year, much has been learned about the BFU miscible flood project. The lessons learned have come mainly as a result of increased gas/liquids injection rates and increasing oil production as a result. One significant area that has been highlighted is the limitations of the existing surface facilities and field gathering system when trying to operate under a higher-pressure environment. This environment has been created as a result of the higher gas injection rates causing most of the wells in the field to respond positively to the increasing reservoir pressures. Basically, the current oil battery treating equipment, pumping units, compression capacity, and lower pressure gas gathering lines are restricting the operator's ability to optimize the field production rates and take advantage of the oil production response to the gas and liquids injection. As a result, in 2021 operations personnel have had to react to the problems as they presented themselves one at a time. Prime examples are wells trying to flow against pump restrictions requiring either larger size pumps, or a complete removal of the pump equipment and installation of new "velocity strings" to allow the well to flow naturally. Another example is the undersized and low-pressure heater treaters on most of the wells. The recent unrestricted testing of one well proved that it could be flowing at 600 to 800 bbls/d if it did not have to be restricted by the undersized treater and the low-pressure gas gathering lines to prevent flaring of the gas. As a result, the well is choked back to 150 to 250 bbls/d until the bottlenecks can be remedied. More and more of these types of restrictions are expected as the field continues to respond to the positive effects of the miscible flood.

A third-party engineering firm was commissioned to perform a feasibility study for facility upgrades and three different cases were analyzed: a larger sized low-pressure gas gathering system, a high-pressure gas gathering system, and a larger sized low-pressure gas gathering system coupled with an oil gathering system and a central processing facility ("**CPF**"). The recommended option was the larger sized low-pressure gas gathering system coupled with CPF, as it requires the least amount of equipment to be purchased and installed at each well pad. To upgrade the gas gathering system to high pressure steel pipe would require the purchase and installation of high-pressure separators and vapor recovery towers ("**VRTs**") and vapor recovery units ("**VRUs**") at each well pad, while the CPF option only requires one VRT and one VRU to be installed at a common location although high pressure separators will still be required at each well pad location.

Key capital items addressing the noted restrictions being proposed for 2022 and beyond:

- a gas plant start-up, which will capture liquids from the gas stream to offset purchases;
- a third compressor installation, which will increase gas injection compression capacity to 12 Mmcf/d and would include liquids compression;
- a phase 1 gathering system upgrade which will address much of the low-pressure gas gathering line restrictions in the center of the field, with future phases to branch out to outlying wells; and
- a phase 1 surface facility upgrade regarding the CPF which will address well battery limitations and begin the construction of a CPF with oil gathering lines mirroring the gas gathering lines upgraded in Phase 1.

The Company has worked closely with Ryder Scott to ensure all the proposed changes to development are incorporated in their reserve volumes estimations. As part of this AIF, a complete summary of the Ryder Scott Report is included in Appendix A.

Cole Creek Unit

The CCU is situated in Township 35 North, Range 77 West in the Powder River Basin, directly west of the BFU. The county line that separates Converse County from Natrona County, Wyoming bisects this township. This oil unit originally produced 9.1 MMbbls from the Upper Cretaceous Shannon Sand member of the Cody Shale formation. This Shannon oil pool was discovered in April 1940 when a well that was drilled in 1938 was completed in the Shannon Sandstone Member as a producing well pumping 430 bbls/d. Sample shows and well logging illustrated that the lower Cretaceous Dakota sand and underlying Lakota sand were oil-bearing as well. Some wells in the Cole Creek Field produced from the Dakota and Lakota sands. Historically, 9.1 MMbbls have been produced from the Shannon Sandstone Member; 6.3 MMbbls have been produced from the Dakota sand; and about 1.0 MMbbls have been produced from the Frontier sands. Atomic has a 60.9% interest in a significant portion of the acreage (18,828.9 gross acres) in Township 35 North, Range 77 West, including the CCU that is comprised of 6,000 gross acres.

The Powder River Basin is a Laramide-age, asymmetric, north-northwest trending structural basin. The Powder River Basin is classified as an intermontane compressional foreland basin. The Powder River Basin was a portion of a subsiding trough that formed on the east side of the lengthy orogenic belt and was the site of marine inundation of the epicontinental seaway during the Cretaceous. The Cole Creek Field is situated along a doubly plunging anticline that trends in a northwest to southeast direction. The anticline of the South Cole Creek Field is separated from the Cole Creek Field by a "saddle". At Shannon sand level, there is at least 150 feet of structural closure at Cole Creek.

The lower Cretaceous Dakota sand is stratigraphically trapped at Cole Creek. The Dakota was deposited as a broad deltaic system that includes incised valley deposits, distributary channels, and delta front (marine) sands. Most Dakota oil production is from stratigraphically-trapped incised valley and distributary channel systems.

This widespread clastic wedge prograded into the Western Interior Seaway from the south and east. It is composed of a marine, deltaic, and alluvial complex which becomes progressively more marine to the west, where it consists entirely of marine shale and siltstone of the Thermopolis Shale. Reservoir rocks are generally fine-grained to medium-grained quartzose sandstones. Average reservoir porosity generally ranges from 8% to 23% and averages from 13% to 18%. The sand unit is sealed at the top and bottom by enclosing shales. The permeability developed in the Dakota can be variable and Dakota net pay ranges from 5 feet to 20 feet at Cole Creek.

The second sand of the upper Cretaceous Frontier formation is also prospective at Cole Creek. Well logs illustrate the development of a reservoir quality sand in the Frontier formation. Slawson drilled the 44- 22H horizontal well within the Frontier sands along the east limb of the structurally-closed anticline in 2018. This well, reportedly, had some drilling issues and multiple fracs were not performed. It produced over 61,000 barrels of oil and only 5,500 barrels of water since 2018. A properly drilled horizontal well in the Frontier sands with 40 to 60 stage fracs would be expected to produce at an initial rate of 1,000 bbls/d. Net pay for the Frontier sands ranges from 10 feet to 35 feet in the Cole Creek area.

Initially, up to 16 suspended, cased wellbores are going to be re-entered and re-completed and/or re-stimulated in the Cole Creek area in the Frontier sands. These wells could add oil production of over 500 bbls/d.

As part of this AIF, a complete summary of the Ryder Scott Report is included in Appendix A.

Offshore West Africa; The West African Transform Margin, Energy Industry Environment

Overview

Offshore West Africa is an emerging region for offshore oil and gas exploration, and greater political stability in recent years in a number of the countries that comprise the region has encouraged oil and gas companies to engage in drilling activities.

The primary geological targets offshore West Africa are Cretaceous-aged turbidite fan systems that have high quality sands.

While the governments in the region are relatively young democracies, the United Nations, foreign governments such as the United States, Japan and China, and other not-for-profit agencies have provided considerable assistance to these countries to help develop governance practices and enhance legal and accounting processes and technology systems to provide a more stable business and operational environment within the countries.

Competitive Environment

The African offshore energy industry has an active group of international companies that are participants. They include independent oil companies such as Kosmos Energy Ltd., Cobalt International Energy, Inc., Tullow Oil plc, and PJSC Lukoil. The larger independents in the US including Hess Corporation and Anadarko Petroleum

Corporation have also made certain areas in Africa part of their portfolios along with European majors such as ENI, Equinor, Repsol Sinopec Resources UK Limited and BG Group plc. The super majors are also active in parts of Africa and include ExxonMobil Corporation, Chevron Corporation, Shell plc, and TotalEnergies SE. Many larger companies have recently entered the West African Transform Margin through the purchase of exploration rights via farm-in agreements over the last few years from other companies and through mergers and acquisitions.

Status of Exploration and Development Activity – Nigeria, Africa

OPL 226 is located in the Niger Delta province, offshore Nigeria, with an area of 1,530 km^2, with water depths ranging from 40m to 180m. OPL 226 is situated along the southwestern edge of a large growth fault-controlled structural complex, known as the Anyala and Noa Complex that can be mapped with available 3D seismic data.

Essar Nigeria was awarded OPL 226 in the 2007 bidding round with a signature bonus payment of US$37.0 million. Currently, Essar Nigeria has acquired a 3D seismic survey in excess of its commitments under phase 1 of the PSC governing OPL 226, however it has yet to drill a well under phase 1 of the PSC. On September 14, 2016, COPL announced that ShoreCan had completed the OPL 226 Transaction. Essar Nigeria's sole asset is the 100% interest in and operatorship of OPL 226. Under the terms of the PSC governing OPL 226, Essar Nigeria is required to seek ministerial consent for the change in control of Essar Nigeria which the Company believes will be forthcoming as Essar Nigeria progresses plans to commence drilling a first well on OPL 226.

On October 2, 2018, NNPC granted a conditional approval of a twenty-four months extension of the phase 1 exploration period until October 1, 2020. The extension is subject to certain conditions, including submission of a performance bond of US$7.0 million that is required further to the PSC, to cover the phase1 exploration period work program at OPL 226. ShoreCan planned to provide security for the performance bond underwritten by a Nigerian Bank as required to be provided by Essar Nigeria.

Upon request in late December 2018, the COPL Group submitted a comprehensive report entitled "Oil Prospecting License 226, Offshore Nigeria – Exploration Period: Phase I and Phase II Work Program" to the NNPC.

Under the terms of the OPL 226 Transaction, ShoreCan has taken over management and appointed a majority of the board of directors of Essar Nigeria effective January 12, 2017. Upon receipt of Ministerial approval, ShoreCan will be the official registered owner of the 80% working interest in OPL 226, and, as a result of its 50% ownership interest in ShoreCan, the Company will realize 40% of the results of Essar Nigeria. In August 2020, the Company executed definitive agreements with Essar Mauritius to reduce ShoreCan's working interest in OPL 226 to 10%. ShoreCan and Essar Mauritius have agreed to extend the completion date of the definitive agreements on various occasions, most recently to December 31, 2021.

Historically, only five wells have been drilled on OPL 226 by previous operators including: (i) Noa-1 drilled by Solgas Energy Ltd. in 2001 – oil and gas discovery; (ii) Oyoma-1 (1972) – oil and gas discovery; (iii) Dubagbene-1 (1972) – oil discovery; (iv) Nduri-1 (1973) – gas discovery; and (v) HJ South-1 (1973) – gas discovery. The Noa-1 discovery well, drilled in 2001, encountered fine to medium grained sandstones of the Agbada formation that is trapped by a counter-regional antithetic fault. The Noa-1 discovery well encountered a thick sand in the 6,100 foot stratigraphic zone that has 7.0m of gas net pay and 18.7m of oil net pay. Three additional gas-bearing sands at 3,600, 4,900 and 5,500 feet were also encountered up-hole in the Noa-1 well.

OPL 226 is situated around and adjacent to OML 83 in which the undeveloped Anyala oil and gas field is located. The Anyala field was discovered in 1972 and lies at the crest of northwest to southeast trending anticline plunging to the northwest and southeast onto OPL 226. The Anyala Field is a recent offshore oil and gas development operated by a consortium led by Nigerian oil and gas company First E&P in partnership with NNPC. First E&P commenced development on the Anyala Field in 2012. The fields are located about 40 km offshore in water depths ranging from 25m to 60m. The project has been developed successfully since 2018 and production is managed with the Abigail Joseph floating production, storage and offloading vessel. Production was reported to be ramping up to a rate of 60,000 bbls/d in 2022. On January 10, 2021, the Aframax Minerva Clara tanker loaded 700,000 barrels of Anyala crude from the Abigail-Joseph floating production, storage and offloading vessel. The two wells drilled in 1972, Oyoma-1 and Dubagbene-1 discovered oil and gas on the northwest plunge of the Anyala Anticline just a couple of months after the Anyala-1 discovery well was drilled, while Noa-1 discovered oil and gas on the southeast plunge on OPL 226 in 2001.

Essar Nigeria has two 3D seismic surveys on OPL 226. The first 698 km^2 survey acquired by Solgas Energy Ltd. in 1999 and 2000 and licensed by Essar Nigeria covers the Anyala Anticline, with seismic coverage on the northwest plunge on OPL 226, the crestal area on OML 83, and the southeast plunge on OPL 226. In 2012 and 2013, Essar

Nigeria acquired 568 km^2 of 3D seismic on the southwest plunging area of the Anyala Anticline and adjacent areas to evaluate the extent of the Noa-1 oil accumulation.

NSAI Report

In March 2016, COPL (on behalf of ShoreCan) commissioned NSAI to produce an updated Resource Report to the 2010 report that was originally completed for Essar Nigeria in relation to OPL 226. This new report incorporated the results of the 2012 3D seismic program and modeling completed by the Nigerian oil company, and was structured to comply with the requirements of NI 51-101 on the reporting of contingent and prospective resources. At the end of 2017, 2018, 2019, 2020 and again at the end of 2021, NSAI updated the report to include any potential changes. The latest report, effective December 31, 2021 (dated February 24, 2022) was requested by COPL. The disclosure of the estimated resource volumes in OPL 226 had been included in past AIF submissions for COPL, documented under the required NI 51-101F1 Form. As disclosure of resource volumes is at the discretion of the Company each year, the Company has chosen not to disclose once again the OPL 226 volume estimates, and rather encloses a full disclosure of its Wyoming Assets under the attached Appendix A. The Company certifies that no material changes have occurred to the resource volume estimates completed by NSAI as of December 31, 2021 for OPL 226.

Overview of the Oil and Gas industry in Nigeria

There are two types of licenses issued to oil producers in Nigeria, namely: the OPL and the OML, with validity periods ranging from five to 20 years, respectively. Given that a producing well has not yet been drilled, OPL 226 is currently an OPL. Upon the successful completion of a well and the commencement of extraction from the property, Essar Mauritius will apply for an upgrade of its license to an OML.

Geology

The Niger Delta is situated within the Gulf of Guinea and extends throughout the Niger Delta geological province. For the last 50 million years (Eocene to the present) the Niger Delta has built outward to the southwest and southeast, forming distinct belts of sand and shale deposition. These belts approximate the paleo shorelines and form one of the largest wave-dominated deltas in the world with an area of about 300,000 km^2.

As of the date of this AIF, the Niger Delta province contains only one identified petroleum system. This system is referred to as the "Tertiary Niger Delta (Akata – Agbada) Petroleum System". Most of the petroleum is located in fields located both onshore and offshore that are, generally, simple growth-fault controlled structures.

Geological Background

The Cenozoic Era of the Niger Delta is divided into three formations, representing pro-grading depositional facies that are distinguished on the basis of sand to shale ratios. The Akata formation at the base of the delta is of marine origin and is composed of thick shale sequences that are potential source rocks, turbidite sands, and minor amounts of clay and silt. From the Paleocene through the Recent, the Akata formation formed during lowstands when terrestrial organic matter and clays were transported to deep water areas characterized by low energy conditions and oxygen deficiency. This formation underlies the entire Niger Delta and is up to 7,000m thick and is, typically, undercompacted and over-pressured.

Deposition of the overlying Agbada formation, the major petroleum-bearing unit, began in the Eocene and continues into the Recent. The formation includes belts of quartz-rich clastics that accumulated in delta-front, delta-topset, and fluvio-deltaic environments. During the Paleogene Period, these clastic belts overstepped each other into the Gulf of Guinea. The Agbada formation is overlain by the Benin formation, a continental (latest Eocene to Recent) deposit of alluvial and coastal plain sands and shales.

The depobelts of the Agbada formation seems to be defined by synsedimentary faulting that occurred in response to variable rates of subsidence and sediment supply. The interplay of subsidence and sediment supply rates resulted in deposition of discrete depobelts. When further subsidence of the basin could no longer be accommodated, the focus of sediment deposition shifted seaward, forming a new depobelt. Each depobelt is a separate unit that corresponds to a break in regional dip of the delta and is bounded landward by growth faults and seaward by large counter-regional antithetic faults of the next growth fault of the next seaward belt.

On the Niger Delta, gravity "tectonism" became the primary deformational process. Shale mobility induced internal deformation and occurred in response to two processes. First, shale diapirs formed from loading of poorly compacted, over-pressured, prodelta and delta-front clays of the Akata formation by the higher density, delta-front sands of the Agbada formation. Second, slope instability occurred due to a lack of lateral, basinward support for the under-compacted delta-slope clays of the Akata formation.

For each given depobelt, gravity "tectonics" were completed before the deposition of the Benin formation and are expressed in complex structures, including shale diapirs, growth fault-induced roll-over anticlines, collapsed growth fault crests, and steeply dipping, flank faults.

Petroleum Systems Evaluation

According to the USGS, there is one petroleum system in the Niger Delta basin that is comprised of the marine interbedded shale in the Agbada formation and the marine Akata formation shales. Volumetrically, it is estimated that the Akata shales are present beneath the Agbada formation and have generated much of the oil for the Niger Delta.

These source rocks contain type II kerogen with an average total organic carbon content of 2.2% but range up to 14.4%.

The physical and chemical properties of the oil in the Niger Delta are highly variable. The oil within the Niger Delta has an API gravity range of 16^{o} to 40^{o} API. Most oils fall within one of two groups: the first group are light, paraffin-based, waxy oils from deeper reservoirs; the second group of oil are biodegraded and from shallow reservoirs, which have lower API gravity that averages 26^{o} API. The concentration of sulfur in most oils is low, between 0.1% and 0.3%. ("The Niger Delta Petroleum System: Niger Delta Province, Nigeria, Cameroon, and Equatorial Guinea, Africa" USGS Open File Report 99-50-H, 1999).

Legal Framework and Process in Nigeria

(i) Regulation of the Oil Industry

In the 1960s, government interest in the oil industry was limited to the collection of taxes, royalties and lease rentals. Many developing countries had begun to agitate for greater control over their natural resources in reaction to the continued control of their economies by the old colonial masters. In 1962, *the Resolution on Permanent Sovereignty over Natural Resources* was adopted by a majority of the General Assembly of the United Nations (the "**Resolution**"). The Resolution asserted that the right of people to freely use and exploit their natural wealth and resources is inherent in their sovereignty. In this spirit, in 1969 the *Petroleum Act* was enacted which vested the entire ownership and control of all petroleum in, under or upon all land or Nigerian territorial waters to the Nigerian government.

In 1971, Nigeria joined OPEC, which was formed to coordinate and unify oil producing countries by adopting a group stance (all resolutions adopted are binding on every member).

In accordance with OPEC's 1968 and 1971 resolutions urging member countries to participate in oil operations by acquiring ownership in the concessions held by foreign companies, Nigeria's military government in 1971 established the Nigerian National Oil Corporation ("**NNOC**") by Decree. The NNOC was empowered to acquire any asset and liability in existing oil companies on behalf of the Nigerian government, and to participate in all phases of the petroleum industry. In that same year, the government acquired 33% and 35% of the operating interests of Agip Petroli S.p.A (a subsidiary of the multinational petroleum company ENI after acquisition of Agip in 2003) and Elf Aquitaine S.A., which was a French oil company that eventually merged with TotalFina S.A. to form TotalFinaElf S.A. and this new company ultimately changed its name to Total S.A. in 2003. Further acquisitions occurred in 1973 and 1974 in the operations of all the other foreign oil companies. (Nigerian Oil and Gas Industry Content Development Act, 2010).

(ii) Oil & Gas Law

The current regulatory climate of the oil and gas industry in Nigeria has largely been influenced by the passage of various laws and regulations that are administered by local, national and other government organizations representing the interests of state and country. Through these bodies, the Nigerian government regulates exploration and production of natural gas and crude oil as a result of the authority provided through the *Nigerian Constitution* and the *Petroleum Act* ("**PA**"), which vests the entire ownership and control of petroleum in the Nigerian government on behalf of the people of Nigeria.

Amongst the most notable government institutions are the Ministry of Petroleum Resources, NNPC and the Department of Petroleum Resources, which ensure that operations within the industry are regulated to a specific standard.

It is with great input from these bodies that various laws and regulations that directly and indirectly regulate the Nigerian oil and gas industry are implemented and monitored. These laws and regulations vary from those applying to the operational aspects, to the fiscal aspects, such as the PA, the *Petroleum Profits Tax Act*, the *Deep Offshore* *and Inland Basin Production Sharing Contract Act* and regulations which have been made pursuant to the PA, such as the *Petroleum (Drilling & Production) Regulations*, which regulate operational aspects of the drilling and production of crude oil.

With the objective of increasing indigenous participation in the oil and gas industry within the country, the government of Nigeria has enacted the *Nigerian Oil and Gas Industry Content Development Act 2010* (the "**Local Content Act**"). This has brought about a significant shift in the focus of companies operating within the country to improve indigenous participation in order to meet the Nigerian government's target of 70% use of indigenous labor, materials and resources in all oil and gas projects in country.

Even though the Local Content Act appears as if it was introduced to consolidate the notion of increasing indigenous participation, it should be noted that this concept has always been at the forefront of the Nigerian government's intention to implement. (Nigerian Content Law in the Oil and Gas Industry, KPMG, 2017)

(iii) EITI

Nigeria is a member of the EITI and has been a compliant member since 2011. The petroleum sector is dominated by joint venture operations between the Nigerian government and five major international oil companies – Shell plc, ExxonMobil Corporation, Chevron Corporation, ENI, and TotalEnergies SE. The Nigeria EITI process has exposed outstanding debts by the national oil company to the Nigerian government, recovered uncollected taxes, identified weaknesses in the regulatory bodies, audited oil-related transfers to subnational governments, estimated oil theft, and examined oil sales. Nigeria EITI has been effective in strengthening public debate and promoting policy options around signature bonuses, unpaid royalties, fuel subsidies, crude oil and refined products theft, and unpaid subsidies. (Nigeria Extractive Industries Transparency Initiative website Overview).

(iv) Geopolitical Information

In 2019, Nigeria had a population of approximately 195.9 million inhabitants, a population growth rate of 2.63% and 50.3 % of the population lives in urban areas. The life expectancy for the general population at birth is 54.3 years. English is the official language of Nigeria, although Hausa, Igbo, and Yoruba languages are spoken by a significant portion of the population. Literacy (defined as those aged 15 or over who can read and write) is 51.1%. According to a 2014 study, 50.5% of the population is Christian, with Islam being the second greatest religion with 43.5% (95% Sunni Islam and 5% Shia Islam) with the remainder of the population belonging to traditional or other religions, or having no religion.

Based on a United Nations Human Development Report, Nigeria's Human Development Index ("**HDI**"), a measure of health, education and income, was 0.539 in 2019, giving it a ranking of 161 out of 189 countries with comparable data. The HDI for sub-Saharan Africa as a whole was 0.475, placing Nigeria above the regional average.

Nigeria's gross domestic product per capita for 2019 was estimated at US$5,316, on a purchasing power parity basis (2019 Human Development Indices and Indicators – 2019 Statistical Update – UN Report).

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is an international oil and gas exploration/appraisal, development and production company focused in the United States and sub-Saharan Africa. The following describes the COPL Group's developments during the past three years.

Three Year History

Year-Ended December 31, 2019

In 2019, the COPL Group continued to identify, evaluate and pursue exploration and development opportunities in African countries and elsewhere. The COPL Group continued to be focused on opportunities that its seasoned technical team had strength in evaluating and developing.

In January 2019, the COPL Group submitted a comprehensive report entitled "Oil Prospecting License 226, Offshore Nigeria – Exploration Period: Phase I and Phase II Work Program" to the NNPC. While still awaiting ministerial consent from the government of Nigeria for the OPL 226 Transaction, the COPL Group continued working on securing financing for its drilling obligations under OPL 226.

On March 29, 2019, the Company announced that its Essar Nigeria accepted a term sheet from a recognized Nigerian bank for the provision of a US$7.0 million performance bond, which would meet the principal condition of the twenty-four-month extension of phase 1 of the OPL 226 PSC which ran until October 2020. ShoreCan indicated it was planning to provide security for the performance bond.

For the purposes of funding its ongoing general and administrative expenses, in June 2019, COPL completed a placement of 497,000,000 Common Shares, at a price of £0.1 pence per Common Share to raise aggregate gross proceeds of £0.497 million. The placing was completed in two tranches and in connection with the placing, the Company also issued 4,970,000 brokers' Warrants, exercisable at a price of £0.15 pence per Common Share until June 4, 2021.

To further supplement the funds needed to support the COPL Group's ongoing general and administrative expenses, in September 2019, COPL completed a placement of 500,000,000 Common Shares to UK investors at a price per share of 0.1 pence per Common Share, to raise gross proceeds of £0.5 million. The Company paid a commission to Shard Capital Partners LLP of 6.0% of the gross proceeds from the placement and granted 5,000,000 Warrants, exercisable at a price of £0.15 pence per Common Share until September 4, 2021.

In 2010, Essar Nigeria had entered into a Farm-In Agreement (the "**Farm-In Agreement**") with Agamore, a private Nigerian company. Under the terms of the Farm-In Agreement, Agamore was to receive a 37% participating interest in OPL 226 in return for the provision of certain services. Approval was sought from the Nigerian authorities for the transfer of the 37% interest to Agamore but it was declined on two occasions, given that: (i) Agamore did not provide the services to Essar Nigeria; and (ii) Essar Nigeria formed the view that Agamore was in material breach of the Farm-In Agreement. In March 2017, by way of written resolution, the directors of Essar Nigeria resolved to give to Agamore a formal notice of termination of the Farm-In Agreement.

On May 7, 2018, Essar Nigeria received information that, notwithstanding that the Farm-In Agreement provided for disputes to be pursued by way of arbitration held in London, Agamore had brought an action in the Nigerian courts against Essar Nigeria, ShoreCan (including two of ShoreCan's directors), the NNPC and the Nigerian Department of Petroleum Resources ("**DPR**"). In the summons filed, Agamore sought various declaratory orders and injunctions but did not seek any financial quantum of damages other than for costs incurred in relation to the litigation. Accordingly, the potential claim cannot be quantified. The claim by Agamore was initially heard on June 5, 2018. On March 7, 2019, the Court heard an application filed by Agamore's lawyers to disqualify the barrister from representing the fourth and fifth defendants. The Court refused such disqualification during the hearing held on April 17, 2019. The defendants' objection to jurisdiction was adjourned to May 23, 2019. On May 23, 2019, COPL was informed by local counsel that the plaintiff had appealed to the Nigerian Court of Appeal the decision to refuse the disqualification order. The Nigerian High Court has adjourned the case in the meantime, as the Court of Appeal has superior jurisdiction. No time has yet been set for the appeal hearing. With all defendants including the Nigerian governmental agencies considering the action to be ill-founded, Essar Nigeria remains confident that the action will be dismissed in due course.

Year-Ended December 31, 2020

On February 14, 2020, the Company entered into the Note with the Holder for a principal amount of CAD$0.2 million (approximately US$0.15 million) as at the Issue Date. The Note was repayable by the Company at the Maturity Date and bore interest in CAD$ at a rate of 10% per annum. No payments of interest or principal amount were required by the Company prior to the Maturity Date although the Company could elect to prepay a portion or all of the outstanding principal amount of the Note prior to that date. The Note was secured by the Company by way of a general security agreement over its present and after acquired personal property and was to be guaranteed by the Company's subsidiaries. The Company used the proceeds of the Note for general working capital and for the progression of its financing plans.

On June 15, 2020, the terms of the Note were varied, in part, by the Loan Agreement (as defined below), providing for an extension of the Maturity Date until December 31, 2020, or conversion of the Note into the Company's Common Shares at the deemed price of £0.003 per Common Share, being the placing price of the Company's UK Prospectus, at the option of the Holder. On August 19, 2020, the Note was replaced with a secured convertible debenture agreement signed with the CEO, which provided for the same terms and conditions as described above and in addition provided for the 10% interest to be paid in cash at the Maturity Date (together the "**CEO Debenture**"). In December 2020, conversion of the CEO Debenture was agreed (via a placing agreement signed on December 23, 2020 and on the same terms as a subsequent equity placing, which closed in January 2021) for 57,500,000 units at a deemed price of £0.002 per unit and value of £0.115 million (approximately CAD$0.2 million) representing the extinguishment of the principal of the CEO Debenture. The interest accrued on the CEO Debenture up to December 31, 2020 in the amount of US$14,000 (CAD$17,600) was paid in cash on December 31, 2020. The 57,500,000 units were issued to the Holder on January 11, 2021.

On March 26, 2020, the Board waived earned but unpaid Directors' fees for 2019 and the first quarter of 2020, totaling approximately US$0.56 million.

On March 27, 2020 and April 3, 2020, the Company announced that in light of the COVID-19 pandemic, the Canadian Securities Administrators had offered issuers a 45 day extension for periodic filings. The Company elected to defer, among other filings, the filing of its 2019 year-end financial statements to on or around May 12, 2020 and its first quarterly financial statements of 2020 to on or around June 23, 2020.

On August 16, 2018 and October 16, 2018, the Company had announced that ShoreCan and Essar Mauritius, the owner of 20% of issued and outstanding shares of Essar Nigeria, were currently in dispute about whether the other party was in compliance with its obligations under the Essar Nigeria Shareholders Agreement. Essar Mauritius asserted that ShoreCan had not commenced funding of the US$80.0 million agreed cumulative funding in Essar Nigeria. ShoreCan denied the claim and produced evidence of substantial expenditure to date. ShoreCan also alleged that any delay in securing mainstream long-term project funding was due in part to the failures of Essar Mauritius to comply with its obligations under the Essar Nigeria Shareholders Agreement. The Essar Nigeria Shareholders Agreement contains a dispute resolution process which ShoreCan sought unsuccessfully to invoke. On April 6, 2020, the Company provided an update on the disagreement between ShoreCan and Essar Mauritius regarding the Essar Nigeria Shareholders Agreement. The Company noted that Essar Mauritius had filed a claim in the High Court of Justice of England and Wales. Essar Mauritius sought in its claim to terminate the Essar Nigeria Shareholders Agreement dated August 17, 2015 and the resulting transfer of its shares in Essar Nigeria to ShoreCan. Essar Mauritius was also claiming US$63.0 million of damages in respect to historic amounts invested in Essar Nigeria for the OPL 226 project.

On June 4, 2020, the Company announced that ShoreCan had reached an agreement in principle (the "**In Principle Settlement Agreement**") with Essar Mauritius on a way forward to resolve their disputes with each other concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. The In Principle Settlement Agreement instigated an immediate stay in proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. In addition, pursuant to the terms of the In Principle Settlement Agreement, Essar Nigeria, with the full support of its shareholders, would then seek an extension of the OPL 226 PSC beyond the current term ending September 30, 2020. Furthermore, the In Principle Settlement Agreement set out agreed amendments to the Essar Nigeria Shareholders Agreement to include: (i) ShoreCan to transfer 70% of the shares in Essar Nigeria to Essar Mauritius; (ii) Essar Mauritius to carry ShoreCan for a 10% carried interest (capped at US$5.0 million net) on all costs relating to the drilling of the first appraisal well to be drilled under the terms of the OPL 226 PSC; and (iii) ShoreCan will have an option to increase its shareholding in Essar Nigeria from 10% to 30% by paying 20% of historic expenditures of Essar Nigeria at cost through the drilling of the first appraisal well. The terms of the In Principle Settlement Agreement were conditional on the parties finalising definitive documentation to reflect the terms and completing the transactions contemplated by the In Principle Settlement Agreement within 35 days.

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

On June 15, 2020 the Company announced that it entered into an agreement with: (i) Riverfort Global Opportunities PCC Limited; (ii) YA II PN, Ltd (together "**YARF**"); and (iii) Arthur Millholland governing the terms of an unsecured facility (the "**YARF Loan Agreement**") of up to £0.636 million (approximately US$0.786 million). Pursuant to the terms of the YARF Loan Agreement, YARF agreed to conditionally advance an amount equal to £0.136 million (the "**First Advance**") (less fees and deductibles pursuant to the terms of the YARF Loan Agreement) following a written drawdown request from the Company, such request specifying a drawdown date being no earlier than the first trading day following the execution of the YARF Loan Agreement. As per the YARF Loan Agreement, the First Advance was repaid on July 2, 2020 - £0.1 million in cash from proceeds of YARF's participation in the June 2020 Placing (as defined below) and £0.036 million of the First Advance by issuance Common Shares to YARF at the Placing Price (as defined below) on closing of the June 2020 Placing, as defined below.

The remaining £0.5 million of the loan facility bore interest at a fixed rate of 10%, payable on the amount outstanding on repayment of the first drawdown. Pursuant to the YARF Loan Agreement, a fixed interest coupon of 10% on the loan amount was due at repayment of the first drawdown if the above-mentioned equity placing did not close or a fixed interest coupon of 12.5% on the loan amount was payable in Common Shares if the equity placing was closed. Under the YARF Loan Agreement, the Company provided various warranties, customary for an agreement of its nature to YARF and YARF provided customary warranties to the Company.

Further, pursuant to the terms of the YARF Loan Agreement and subject to completion of the funding pursuant to the June 2020 Placing, the Company agreed to issue to YARF Warrants to purchase 100,000,000 Common Shares for an exercise price of £0.0039 (US$0.0049) (the "**YARF Warrants**"). The YARF Warrants are exercisable for 24 months from the date of the June 2020 Placing.

On June 23, 2020, the Company announced that it had entered into agreements for a £0.7 million Common Share placing with three investors at £0.003 (US$0.0037) per Common Share. The Company entered into a non-brokered subscription agreement (the "**Subscription Letter**") dated June 22, 2020 for a £0.5 million Common Share placing (the "**Private Placement**") at £0.003 per Common Share ("**Placing Price**"). Pursuant to the terms of the Private Placement, the Company agreed to pay a finder's fee of £35,000 cash and issue 12,500,000 Warrants exercisable for 24 months at an exercise price of £0.0039 (US$0.0049) to Shore Capital Stockbrokers Limited. In addition, YARF committed to subscribe for 33,333,333 Common Shares each at the Placing Price (the "**June 2020 Placing**"). The Company agreed to pay a finder's fee in cash of £48,000 in lieu of which 16,000,000 Common Shares at a deemed price of £0.003 (US$0.0038) per Common Share (the "**Fee Shares**") were issued and 16,000,000 Warrants to a finder in respect of the June 2020 Placing. Each Warrant entitles the holder subscribe for one Common Share in the capital of the Company at a price of £0.0039 (US$0.0049) at any time for 24 months from July 2, 2020. The Company also agreed to pay a corporate finance fee of £2,500 and a commission of £1,000 to Shard Capital Partners LLP in respect of the June 2020 Placing.

On June 29, 2020, the Company announced it had entered into a further non-brokered subscription agreement dated June 28, 2020 for a £0.5 million Common Share placing at the Placing Price. This placing was an upsize to the Private Placement announced on June 23, 2020 with the same investor (the "**Upsized Private Placement**", and together with the Private Placement, the "**June 2020 Private Placement**"). Pursuant to the terms of the Upsized Private Placement, the Company agreed to pay a finder's fee of £35,000 cash and issue 12,500,000 Warrants exercisable for 24 months at an exercise price of £0.0039 (US$0.0049) to Shore Capital Stockbrokers Limited. On July 2, 2020, the Company closed the above placings and issued 400,000,000 Common Shares at a placing price of £0.003 (US$0.0037) per Common Share, for gross proceeds of £1.2 million (US$1.5 million).

Further, on July 2, 2020, the Company issued to YARF a total of 38,500,000 Common Shares in lieu of cash payments of £115,500 at a deemed price of £0.003 per Common Share, in respect of repayment of a portion of the first drawdown of the loan facility of £36,000 (12,000,000 Common Shares) and interest on the YARF facility of £79,500 (26,500,000 Common Shares). In addition, the Company granted, as compensation to YARF, a total of 100,000,000 Warrants expiring on July 2, 2022. The above placings closed for an aggregate at £1.2 million (US$1.5 million) and issued 400,000,000 Common Shares.

On July 2, 2020, Mr. Gaffney assumed the position of CFO of the Company. Mr. Gaffney had been acting as interim CFO since June 6, 2020.

On July 7, 2020, the Company issued 9,970,000 Common Shares pursuant to an exercise of Warrants at an exercise price of £0.0015 (US$0.0019) per Common Share.

On July 10, 2020, the Company announced that ShoreCan and Essar Mauritius has agreed to extend the backstop date to July 20, 2020 to enter into definitive documentation to resolve their disputes concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. The agreement to extend the backstop date also extended the immediate stay of proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. The backstop date and associated stay on the High Court claim was subsequently extended to August 4, 2020, pursuant to the Company's announcement on July 21, 2020.

During third quarter of 2020 and further to debt exchange arrangements stipulated in the UK Prospectus closed on July 2, 2020, the Company issued to certain vendors and employees in total 436,917,545 Common Shares in lieu of cash payments of approximately £1.3 million (US$1.7 million) at a deemed price of £0.003 (US$0.0037) per Common Share (as stipulated in the UK Prospectus and pursuant to individual agreements), in respect of outstanding balances due to these vendors and employees.

On July 20, 2020, the Company announced it had entered into agreements with two institutional investors and two high net worth private investors to raise gross proceeds of £1.3 million in another non-brokered placing at a placing price of £0.003 (US$0.0037) per Common Share (the "**July 2020 Private Placement**").

On July 23, 2020, the Company issued 433,333,334 Common Shares pursuant to the July 2020 Private Placement, raising £1.3 million (US$1.65 million) in gross proceeds. Pursuant to the July 2020 Private Placement, the Company agreed to pay in cash a finders fee of £91,000 and to grant 32,500,000 Warrants to a finder, expiring on July 24, 2021, at an exercise price of £0.0039 per Common share.

On August 4, 2020, the Company announced that ShoreCan had executed definitive agreements with Essar Mauritius to resolve their disputes. ShoreCan and Essar Mauritius entered into a sale and purchase agreement pursuant to which ShoreCan will return 70% of the shares in Essar Nigeria to Essar Mauritius in addition to other agreements concerning their respective obligations under the Essar Nigeria Shareholders Agreement. Essar Nigeria applied in early June of 2021 to NNPC for an extension of the exploration period under the OPL 226 PSC beyond the current term ending September 30, 2020. Completion of the definitive agreements to be entered into was subject to the grant of such extension and other customary completion conditions.

On August 14, 2020, the Company issued 53,731,380 Common Shares pursuant to an exercise of Warrants at an exercise price of £0.00335 (US$0.0044) per Common Share.

On September 24, 2020, the Company provided an update on Essar Nigeria's application for a licence extension for OPL 226. To date, no notice of termination has been received by Essar Nigeria, which under the terms of the OPL 226 PSC would need to be issued sixty days before the September 30, 2020 expiry date. The two previous extensions to the drilling license at OPL 226 were also received by Essar Nigeria following the previous expiration dates.

On September 29, 2020, the Company announced that its Board of Directors had approved the granting of 341,609,235 Options of the Company effective from September 14, 2020. The Options were granted under the Company's Stock Option Plan at an exercise price of £0.0035 (US$0.0045) per Common Share to the Company's Directors, officers and employees and expire five years from the date of grant.

On October 26, 2020, the Company announced that ShoreCan and Essar Mauritius had reached an agreement to extend the completion date of the definitive agreements between the parties announced on August 4, 2020 to January 29, 2021.

On December 15, 2020, the Company entered into a stock and membership interest purchase agreement (the "**Purchase Agreement**") with James W. Williams, Jr., as seller pursuant to which, the Company agreed to purchase from James W. Williams, Jr. all of the issued and outstanding capital stock of Atomic and membership interests of SWP for consideration of US$54.0 million consisting of assumed debt, cash and Common Shares (the "**Atomic Acquisition**"). As part of the Atomic Acquisition, the Company also acquired Pipeco, a wholly owned subsidiary of Atomic. The effective date of the Atomic Acquisition was December 1, 2020.

The US$54.0 million consideration was comprised of the following: (i) a non-refundable US$1.0 million deposit paid on December 16, 2020; (ii) an initial payment of a refundable deposit of US$8.0 million in two payments of US$4.0 million, the first on December 31, 2020 and the second on January 7, 2021; (iii) assumed debt in the amount of US$26.0 million settled at closing by the Senior Credit Facility (as defined herein), (iv) cash in the amount of US$15.0 million; and (v) Company Common Shares at a deemed value of US$4.0 million. The Company filed a business acquisition report on SEDAR on August 27, 2021.

The Company's wholly owned subsidiaries, COPL America Holding and COPL America entered into a term loan credit agreement dated March 16, 2021 (the "**Senior Credit Facility**") to finance the Atomic Acquisition. The parties to the Senior Credit Facility are COPL America, as borrower, COPL America, SWP and Pipeco, as guarantors, the Agent as the administrative agent and collateral agent, and the Lender as lender.

The Senior Credit Facility provides for a total senior secured term loan facility of US$65.0 million bearing interest at a rate of LIBOR, with a floor of 2.0% plus 10.50% per annum and with a maturity date of March 16, 2025. COPL America Holding, COPL America, Atomic, SWP and Pipeco granted a first priority perfected security interest in all of their respective owned and hereafter acquired property including all oil and gas reserves and equity interests to the Lender and Agent.

The Senior Credit Facility provides COPL America with a base loan facility of US$45.0 million to fund the Atomic Acquisition and associated refinancing, to retire trade payables owed by Atomic and its affiliates, to fund COPL America and/or to pay financing fees and transaction and legal costs in relation to negotiating the Senior Credit Facility and facilities thereunder.

The loan facility provided under the Senior Credit Facility provides COPL America with additional flexibility to utilize up to US$20.0 million to fund future developments, the approval of which are at the sole discretion of the Lender. The process for utilizing the additional incremental amounts up to US$20.0 million is subject to further notice to the Lender under the Senior Credit Facility and requires COPL America to enter into additional loan documentation to evidence these additional amounts.

Under a separate warrant agreement between the Lender and COPL America dated March 16, 2021, the Lender was granted five (5) warrants representing 5% of the Common Shares of COPL America (the "**Lender Warrants**") for US$0.01 per Common Share (the "**Lender Warrant Agreement**"). The Lender Warrants are not exercisable until the later of 60 days after the Senior Credit Facility has been repaid in full or March 16, 2025. Upon exercise, the Lender would be entitled to redeem such warrants for an amount of cash equal to the greater of approximately 5% of the Company's market capitalization or 5% of the net asset value of COPL America at such time.

On December 30, 2020, the Company announced a non-brokered placing with institutional investors and high net worth individuals for a £6.0 million unit placing (the "**December 2020 Placing**") at a placing price of £0.002 (US$0.0027) per unit. Each unit consisted of one Common Share in the capital of the Company and one half of one warrant, each whole warrant entitling the holder to purchase a Common Share at 0.26 pence for 12 months from the settlement date of the December 2020 Placing. The Company paid a finder's fee of 285,041,750 Common Shares and granted 305,401,875 Warrants expiring on January 8, 2022 at an exercise price of £0.0026 per Common Share to a finder in connection with the December 2020 Placing.

Year-Ended December 31, 2021

On January 8, 2021, the Company announced a follow-on non-brokered private placement to the December 2020 Placing to raise additional gross proceeds of £3.0 million (the "**Subsequent Fundraise**") subsequent to the December 2020 Placing announced by the Company on December 30, 2020 (together with the Subsequent Fundraise being the "**Initial Atomic Placing**"). The Subsequent Fundraise of units with institutional investors and high net worth private investors was completed on the same terms as the December 2020 Placing. In addition, the Company paid a cash commission to Shore Capital Stockbrokers Limited of 7.0% of the £0.5 million proceeds from the Subsequent Fundraise that were sourced by Shore Capital Stockbrokers Limited (the "**Shore Placees**"), such commission being equal to £35,000, together with Warrants equal to 7.5% of proceeds from the Shore Placees, exercisable for 12 months at an exercise price of £0.0026 per Common Share. The total gross proceeds of the non-brokered private placement of units under the Initial Atomic Placing is £8.9 million (US$12.1 million).

On January 28, 2021, the Company updated its Shareholders, investors and the market on the Company's view of the new Presidential Executive Order pertaining to the US Federal Oil and Gas Leases (the "**Executive Order**") as it relates to COPL's acquisition of the Atomic Group announced on December 16, 2020. The Company believes the Executive Order signed by the President of the United States, will have a largely positive effect, and limited negative effects, on the Atomic Acquisition for the following reasons:

- Atomic requires no additional Federal oil and gas leases to conduct it operations;
- Atomic's Federal Leasehold is in good standing;
- Atomic held operating working interests in approximately 47,992 acres of contiguous Leasehold in Wyoming, US as at the effective date of the Atomic Acquisition;
- the Leasehold is a combination of Lessors;
- within the Leasehold there are three Units: Two production units being the BFU (58.0% working interest) and the CCU (66.7% working interest); as well as one unitized exploration area being the BFDU;
- the purpose of the formation of these units is to align the various Lessors' interests through the terms of their respective leases with Lessees whose working interest is defined through the unit;
- Atomic has secured drilling permits required to continue to conduct the majority of its operations on the critical Federal Leasehold. If in the future operations are restricted from the surface of Federal Leasehold, operations can also be conducted from adjoining fee simple or State Leasehold directionally if there were to be a hinderance of such operations outside of the newly stated policy on Federal Leasehold;
- the Atomic assets have new infrastructure and direct access to pipeline with no legacy abandonment or reclamation liabilities; and
- the BFU facilities are state-of-the-art, environmentally responsible facilities with zero gas flaring, minimal methane emissions, with required electricity sourced from an adjacent wind farm.

On February 1, 2021, the Company announced that ShoreCan and Essar Mauritius had reached an agreement to extend the completion date of the definitive agreements between the parties announced on October 26, 2020 to April 30, 2021.

On February 8, 2021, the Company announced that it had repaid in cash the balance of the loan from YARF announced on June 15, 2020. An amount of £0.1 million (US$0.136 million) was paid on January 5, 2021 and the remaining balance of £0.4 million (US$0.547 million) was repaid in cash on February 5, 2021 without penalty. The Company had met all of the terms and conditions of the YARF lenders under the YARF Loan Agreement.

On March 11, 2021, COPL completed an oversubscribed accelerated bookbuild process with its broker Tennyson Securities through which 4,171,562,500 Common Shares (the "**Placing Shares**") were placed with institutional investors and high net worth private investors/family offices at a price of £0.0032 (US$0.0045) per Placing Share. The net proceeds of approximately £13.3 million (US$18.7 million) from the placing will be used to finance operating and capital expenditures of the Atomic Group and the Company's ongoing general and administrative costs.

On March 16, 2021, the Company closed the Atomic Acquisition and the Company issued 818,873,319 Common Shares representing US$4 million of the purchase price consideration that was payable in Common Shares.

On March 17, 2021, the Company announced that it had applied for, and as a result of the Atomic Acquisition becoming unconditional, been granted by the Financial Conduct Authority (the "**FCA**"), a suspension of the listing of the Company's Common Shares on the LSE with effect from 7:30 am on March 17, 2021 (the "**Suspension**"). The Suspension was sought as the Atomic Acquisition amounted to a reverse takeover under the listing rules and the Suspension would prevent further trading in the Company's Common Shares. At the time the Suspension was announced, the Company advised the market as to its intention to make a further application to the FCA under the listing rules for the cancellation of the Company's listing of its Common Shares (the "**Cancellation Application**"), ahead of a proposed listing application of the enlarged COPL Group following the Atomic Acquisition. For both legal and accounting purposes the Atomic Acquisition does not constitute a reverse takeover.

On March 19, 2021, the Company announced that it would formally make a Cancellation Application to the FCA and the cancellation is expected to take effect 20 business days from the time when the Cancellation Application was made to the FCA. The Company expressly confirmed that the cancellation request would not affect the listing or trading of the Company's securities on the CSE, and that it would remain listed on the CSE. The Cancellation Application was subsequently amended with the LSE so that cancellation of the Company's listing of Common Shares on the LSE would be simultaneous with re-admission.

On April 1, 2021, the Company announced approval of an application for a MCTO and provided a bi-weekly status report. The application for the MCTO was made by the Company in order to secure additional time for the Company to file its 2020 Annual Filings and Other Disclosure. Under the terms of the MCTO, the Company's 2020 Annual Filings and any Other Disclosure was required to be filed on or before April 30, 2021, and such MCTO was subsequently revoked on May 13, 2021.

On May 27, 2021, the Company announced approval of an application for a MCTO in order to secure additional time for the Company to prepare its Q121 Interim Filings. On June 30, 2021, the Company announced the MCTO for the Q121 Interim Filings and Other Disclosure had been extended to July 14, 2021 and on July 16, 2021 the Company announced the MCTO for the Q121 Interim Filings and Other Disclosure had been extended to July 26, 2021. The Q121 Interim Filings MCTO was subsequently revoked on July 28, 2021.

On August 13, 2021, the Company announced its affiliate SWP, operator of the BFU, filed a law suit in the State Court of Wyoming, Converse County, against the following named defendants: Cuda LLC, a wholly owned subsidiary of Cuda, Bridging Finance, Inc. ("**Bridging**"), and Tallinn Capital Energy L.P. ("**Tallinn**"), to seek a Judicial Foreclosure on Cuda LLC's non-operated working interest in the BFU. On July 8, 2021, SWP filed a statutory lien in the State of Wyoming, Converse County against Cuda LLC's interest in the BFU in the amount of US$1.9 million. On July 26, 2021, SWP filed a claim (the "**Claim**") in the Eighth Judicial District Court, State of Wyoming as plaintiff against Cuda LLC, Bridging, and Tallinn as defendants. SWP's Claim seeks the following heads of relief: a judicial foreclosure order against the defendants of the SWP liens on Cuda LLC's interest in the BFU; an award of damages for breach of contract by Cuda LLC; a quantum meruit or unjust enrichment judgment against Cuda LLC; damages for a breach of promissory estoppel against Cuda LLC; and a declaratory judgment as to the lien priority against Bridging and Tallinn to affirm SWP's first lien priority on Cuda LLC's security against the BFU. Cuda LLC received a copy of the Court Stamped Claim by email on July 27, 2021 and subsequently accepted service of the Claim on August 12, 2021.

On August 17, 2021, the Company announced its readmission to trading of the Common Shares on the LSE for listed securities. The readmission comes following the Atomic Acquisition, which was deemed to constitute a reverse takeover under the listing rules and resulted in the Suspension.

On August 18, 2021, the Company announced approval of an application for a MCTO. The application for the MCTO was made by the Company in order to secure additional time for the Company to prepare its Q221 Interim Filings. Under the terms of the MCTO, the Company's Q221 Interim Filings, business acquisition report in respect of the Atomic Acquisition and any Other Disclosure while the MCTO was in effect must be filed on or before August 31, 2021, which was subsequently revoked on September 3, 2021.

On October 1, 2021, the Company announced the completion of the Share Consolidation.

On January 10, 2022, the Company confirmed that the exploration well drilled in August 2021 had made a significant conventional light oil discovery on its large operated leasehold position in Converse and Natrona Counties, Wyoming. Light crude oil was discovered in stratigraphic traps in the Upper Cretaceous Frontier formation sands and the Lower Cretaceous Dakota formation sands. Mapping of the reservoirs on regional trends has shown the discovery to be extensive and will be included in a drilling program anticipated to occur in the fall of 2022.

On December 6, 2021, the Company announced the appointment of Mr. Nigel Little as an independent non-executive Director that has replaced Viscount William Astor who stepped down from the Board with immediate effect after a six-year term.

Recent Developments

On February 8, 2022, the Company announced that the Board of Directors approved the granting of 15,430,000 Options effective January 29, 2022. The Options were granted under the Stock Option Plan at an exercise price of C$0.54 per Common Share to the Company's Directors, officers, and employees and expire five years from the date of grant.

As at December 31, 2021, the Company was in default on the Senior Credit Facility, as referred to in the annual audited consolidated financial statements of the Company as at and for the years ended December 31, 2021 and 2020, which are filed on SEDAR at www.sedar.com and subsequently, the Company received a waiver from the Lender with respect to the above-noted default subject to the following conditions:

- the Company shall provide an approved plan of development acceptable to the Lender by April 15, 2022 that relates to spending from March 31, 2022 to June 30, 2022 and by June 30, 2022 that relates to spending from March 31, 2022 to December 31, 2022;
- the Company shall pay at the earliest of: (i) the date the Senior Credit Facility is paid in full; (ii) the occurrence of an event of default other than specified above; or (iii) June 30, 2022 a fee equal to 1.5% of the $45.0 million principal loan amount plus $0.5 million; and
- the Company shall issue to the Lenders new Lender Warrants that in aggregate are exercisable for 6% of the Common Shares in the Company in cancellation of the existing Lender Warrants that in aggregate are exercisable for 5% of the Common Shares in the Company.

Due to the waiver the Company has become subject to the terms of the original senior credit facility dated March 16, 2021.

Significant Acquisitions

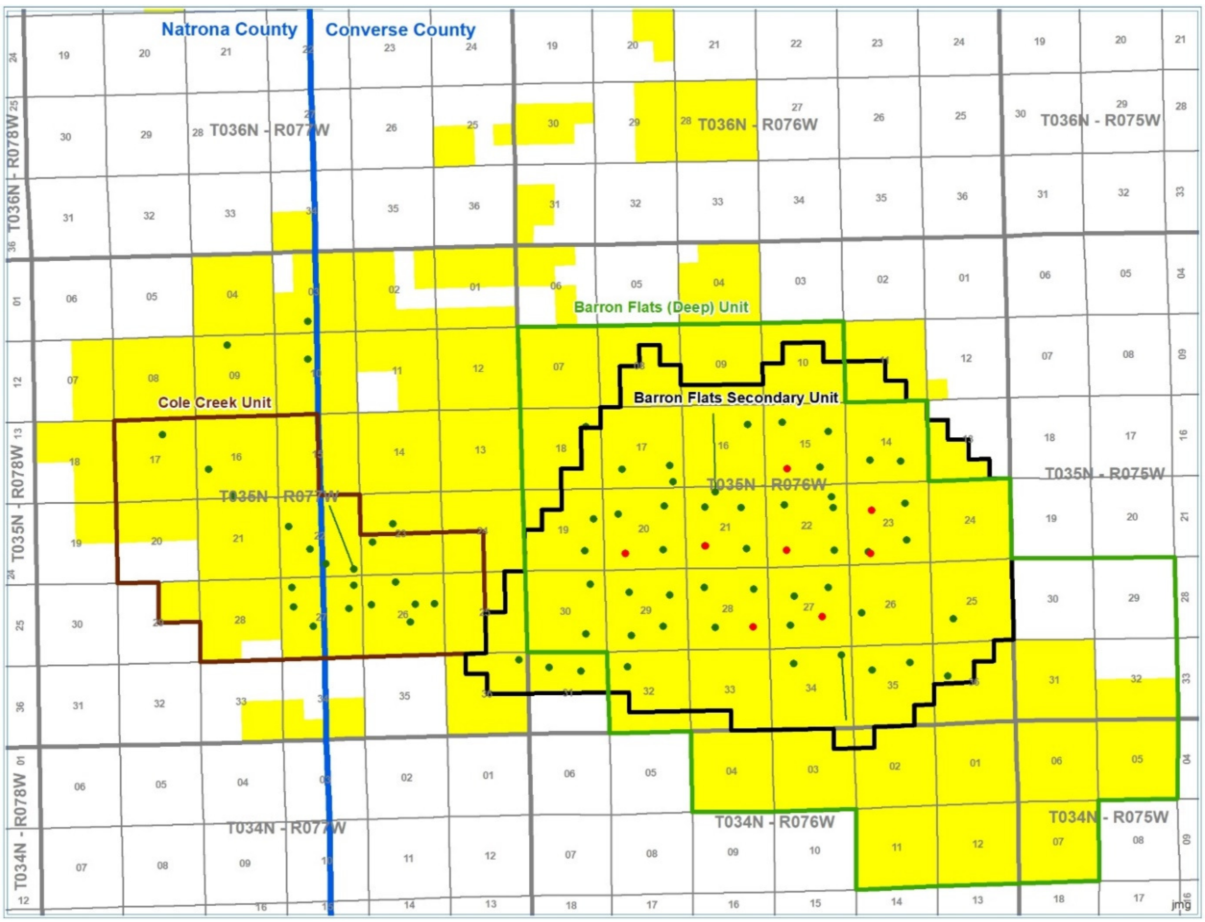
On March 16, 2021, the Company closed the Atomic Acquisition and the Company issued 818,873,319 Common Shares representing the US$4 million of the purchase price consideration that was payable in Common Shares. As part of the Atomic Acquisition, the Company also acquired Pipeco, a wholly owned subsidiary of Atomic. The Atomic Acquisition was financed by a loan facility pursuant to the Atomic Credit Agreement, which provided for a total senior secured term loan facility of US$65.0 million bearing interest at a rate of LIBOR + 10.50% (subject to a 2.00% LIBOR floor) per annum and with a maturity date of March 16, 2025. COPL America Holdings, COPL America, Atomic, SWP and Pipeco granted a first priority perfected security interest in all of their respective owned and hereafter acquired property including all oil and gas reserves and equity interests to the Lender and Agent. The Company filed a business acquisition report on SEDAR on August 27, 2021. See "*General Development of the Business - Three Year History*" for further details.

OIL AND GAS PROPERTIES

Barron Flats Unit, Cole Creek Unit – Powder River Basin, Wyoming

Atomic was a private, US based oil and gas company operating two oil fields in Wyoming under the subsidiary SWP, the BFDU (55.6% working interest) and the CCU (66.7% working interest). Encompassed within the BFDU is the BFU (58.0% working interest) that provides the bulk of the Wyoming production, which is expected to increase as the miscible flood progresses. As at December 31, 2021, Atomic holds a working interest in a total of 43,286.2 gross contiguous acres within the BFU that is located in township 35N, range 76W, in Converse County, Wyoming and in the adjacent Cole Creek Pool area of township 35N, range 77W in both Converse and Natrona Counties.

The Wyoming Assets



Notes:

(1) BFU wells within the unit boundary are within the black outline. The green dots are producing BFU oil wells and the red dots are BFU gas injection wells.

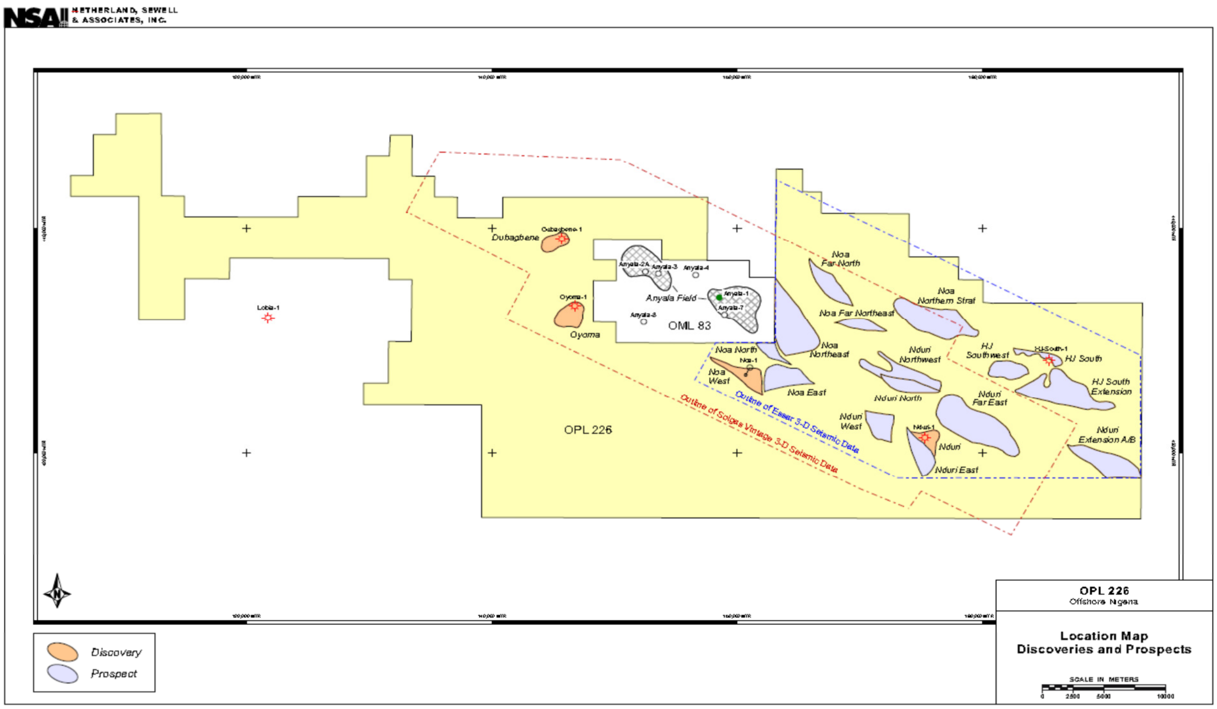
(2) Based on the Ryder Scott Report at December 31, 2021 in Appendix A, the Wyoming asset has a total of 19.9 MMbbls of net oil reserves on a total proved plus probable basis. This includes the BFU at 58.0% and Cole Creek at 66.7% working interests**.**

With respect to the CCU, a program to re-complete up to 16 suspended and cased wells was initiated in 2021. Horizontal development well drilling is being evaluated to access the tighter reservoir rock of the Frontier and Dakota formations. Additionally, miscible flooding has been suggested to commence upon production plateauing at the BFU. With the horizontal well development, forecasted production from the CCU is anticipated to peak over 5,300 bbls/d under the current proved plus probable reserve estimates.

For the BFU, these producing oil assets are at the beginning of their 40+ year life with increasing production to a future production plateau. For the combined fields of the BFU and the CCU, the current production rate of 1,900 bbls/d (gross) is expected to rise to 4,000 bbls/d (gross) in 2023 or 2024. The produced crude oil is light (40°API) and sweet.

Full disclosure of the estimated reserves associated with the Wyoming oil fields is documented in Appendix A, as part of this Annual Information Form. Appendix A contains the required NI 51-101 F1 form for disclosure of reserves under the COGE Handbook.

License Block OPL 226, Offshore Nigeria – 40% Interest through ShoreCan



OPL 226 has an area of 1,530 km² and is located approximately 50 km offshore the central delta region of Nigeria in water depths ranging from 40m to 180m. It offers oil appraisal and development opportunities having near term oil production potential and significant exploration upside. Historically, five wells have been drilled, with the first oil discovery on Block OPL 226 made in 2001 in the fifth well after earlier drilling intersected predominantly gas-bearing sands.

Block OPL 226 is situated along a large growth fault-controlled structural complex ("**Noa Complex**"). Extensive seismic campaigns have been conducted on the block over the years with 1,750 km^2 of 2D seismic and approximately 1,300 km² of 3D seismic data acquired to date. ShoreCan has completed additional seismic processing to the most recent 568 km² 3D seismic survey acquired by Essar Nigeria in 2012. The advanced seismic processing techniques applied to this data set by ShoreCan were done to differentiate oil-bearing sands from gas and water bearing sands. These techniques were unavailable previously due to the poor quality and inappropriate parameters of the earlier seismic data sets. In addition, COPL Technical has been preparing for the eventual drilling of the first exploitation well on the Noa Complex by advancing cost estimates and contracting and tendering processes.

At the end of 2017, 2018, 2019, 2020 and again at the end of 2021, NSAI updated their reserve report to include any potential changes. The latest report, effective December 31, 2021 (dated February 24, 2022) was requested by COPL this year. The disclosure of the estimated resource volumes in OPL 226 has been included in past AIF submissions for COPL, documented under the F1 form. As disclosure of resource volumes is at the discretion of the Company each year, the Company has chosen not to disclose once again the OPL 226 volume estimates, and rather enclose a full disclosure of its Wyoming Assets under the attached Appendix A. No material changes have occurred to the resource volume estimates completed by NSAI as of December 31, 2021 for OPL 226.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares.

As indicated in "*The Company - Name, Incorporation and Address*", on October 1, 2021, the Company announced the Share Consolidation in which all of the issued and outstanding Common Shares were consolidated on the basis of one post-Share Consolidation Common Share for each one hundred pre-Share Consolidation Common Shares.

As at December 31, 2021, there were 194,519,464 Common Shares outstanding and no Preferred Shares outstanding post Share Consolidation. As at the date of this AIF, there were 194,519,464 Common Shares outstanding and no Preferred Shares outstanding. As of the date of this AIF, there were 5,850,000 Warrants outstanding.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all meetings of Shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets among its Shareholders for the purpose of winding-up its affairs, holders of Common Shares, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a distribution, are entitled to share equally, share for share, in the remaining property.

Preferred Shares

In respect of the Preferred Shares, such shares are issuable in series and the Board may fix the number of such Preferred Shares in each series and the designation, rights, privileges, restrictions and conditions attached to each such series.

Warrants

The Warrants entitle the holder thereof to purchase one Common Share, for an exercise price set out in the terms of the agreements governing such Warrants. The Warrants have a weighted average exercise price of CAD$0.41 (US$0.36) per Common Share and a remaining contractual life of between three and eleven months from the date of this AIF and are described further in COPL's audited consolidated financial statements for the year ended December 31, 2021 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

Dividends

The Company has not declared or paid any dividends on its outstanding Common Shares. The Directors do not anticipate paying dividends in the near future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations and other considerations as the Board considers relevant.

RISK FACTORS

The risks and uncertainties discussed below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or which the Company currently considers immaterial may also impair the business and operations of the Company and cause the value of the securities of the Company to decline. If any of the following risks actually occur, the Company's business may be harmed and the financial condition and results of operation of the Company may suffer significantly. In that event, the trading price of the Company's Common Shares could decline and Shareholders may lose all or part of their investment. Prospective investors should review the risks with their legal and financial advisors and should consider, in addition to the matters set forth elsewhere in this AIF, the following risks. An investment in the securities of the Company is suitable only for purchasers who are aware of such risks and who have the ability and willingness to accept the risk of total loss of their invested capital.

An investment in COPL should be considered speculative due to the nature of its activities. Investors should carefully consider the risk factors set forth below.

Risk Related to the COPL Group's Business

Operating Cash Flow

In 2020 and prior years, the Company did not have material cash inflows. Subsequent to December 31, 2020, the Company raised additional equity financing of US$30.8 million (gross), secured debt financing of US$45 million and closed the Atomic Acquisition. As a result, the enlarged Company is expected to generate positive operating cash flow in 2022 and beyond from the Atomic Group's production activities, for which exposure to commodity pricing risk is managed through risk management contracts until February 29, 2024. However, the level of the Company's indebtedness, and the level of indebtedness relative to the Company's ability to generate cash flow, from time to time, could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise and could negatively affect its credit ratings.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus (commonly known as "**COVID-19**"). The outbreak including the emergence of a mutated strains and variants and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in global financial markets. The pandemic negatively impacted global commercial activity, including the demand for oil and gas.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on capital and financial markets on a macro-scale, any new information that may emerge concerning the severity of the virus and world-wide coverage and effectiveness of vaccinations. Although the COPL Group is taking measures to mitigate the broader public health risks associated with COVID-19 for its business and employees, including ensuring employees self-isolate and/or work from home where possible in line with the recommendations of relevant health authorities, the full extent of the COVID-19 outbreak and the adverse impact this may have on the COPL Group's workforce and key suppliers, the global economy, specifically the US and Nigerian economies and the oil and gas industries is difficult to estimate. In addition, as a result of the COVID-19 outbreak, there may be short-term impacts on the COPL Group's supply chain and planned work programs in the US and in Nigeria including the phase 1 exploration plans at OPL 226. Similarly, government-imposed travel restrictions may impair the ability of certain of the COPL Group's employees, advisers and contractors to deliver their services to the COPL Group, conduct physical inspections, or undertake planned operations, and to visit in country offices.

The Directors expect this situation to continue for the time being and there can be no assurance that it will not cause a material adverse effect on the COPL Group's planned operations and ability to raise sufficient financing for the COPL Group.

In response to the COVID-19 outbreak, the COPL Group's joint venture partners or contract counterparties may seek to renegotiate contractual terms or seek to claim force majeure to excuse performance of their contractual obligations to the extent such parties are affected by the pandemic.

The global health crisis had resulted in volatility and disruptions in the supply and demand for oil and natural gas and has caused increased volatility and reduced market sentiment generally. In particular, market crude oil and natural gas prices significantly declined from March 2020 to June 2020 in response to the COVID-19 pandemic, before recovering in the latter half of the year 2020. See "*Risk Factors – Weakness and Volatility of Crude Oil and Natural Gas Prices*".

Weakness and Volatility of Crude Oil and Natural Gas Prices

Throughout 2020, oil prices deteriorated significantly due to softening global demand caused by the COVID-19 pandemic. The period saw the deepest drop in crude oil prices in the global markets since 1991. With the rapid spread of COVID-19, oil prices and global equity markets have experienced significant volatility which is expected to continue for so long as the COVID-19 pandemic impacts global markets. Whilst global markets and crude oil prices recovered in 2020 and have strengthened in 2021 and early 2022, there can be no certainty that this trend will continue so long as the COVID-19 pandemic persists.

The COPL Group's strategy is to explore for and/or appraise oil and gas properties which could then lead to eventual development. Crude oil and natural gas are commodities that are sensitive to numerous worldwide factors, many of which are beyond the control of the COPL Group, and are generally sold at contract or posted prices. Consequently, such prices may affect the value of the COPL Group's oil and gas properties and the level of spending for oil and natural gas exploration and development.

Continued volatility in world crude oil and natural gas prices may further significantly affect the COPL Group's ability to source financing for the COPL Group's operations and growth objectives including the Wyoming Assets and phase 1 exploration and appraisal at OPL 226, and if able to do so, such financing may be on unfavourable or highly dilutive terms.

Change to US Policy

On his first day in office, US President Joe Biden re-joined the Paris Climate Agreement and cancelled the Keystone XL pipeline permit. The 1,897 km pipeline was intended to carry more than 800,000 bbls/d from Alberta's oilsands to Nebraska to connect with the original Keystone pipeline that runs to US Gulf Coast refineries. President Biden has subsequently issued numerous executive orders relating to climate change in the US and internationally.

The Biden administration has also confirmed that no new US Federal Oil and Gas Leases will be issued for offshore or onshore assets through the Bureau of Land Management, an arm of the US Department of the Interior. It is anticipated that, in addition (i) there will be a review of existing leases and permits for oil and gas operations conducted on Federal lands; (ii) there will be no ban on Hydraulic Fracking ("**Fracking**"); (iii) legacy suspended wells on Federal Leasehold are to be abandoned to reduce methane emissions; and (iv) all operations on Federal lands shall be conducted with regards to the nation's climate objectives. All of the above could have an adverse impact on the revenue streams from the Wyoming Assets.

Economic Dependence

The COPL Group's ability to repay the debt in accordance with the terms of the Senior Credit Facility is dependent on the revenue streams from the Wyoming Assets.

Oil Production at the Wyoming Assets is sold, at present, pursuant to a single short-term contract with a national oil marketing and transportation company, at market-based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The COPL Group has also entered into risk management contracts to manage exposure to commodity pricing risk with a single arm's length party by way of derivative contracts on butane and oil, until February 29, 2024. For more details refer below to "*Risk Factors – Marketability of Crude Oil and Natural Gas*".

The COPL Group's interest in Nigeria is dependent on the terms of the oil prospecting license OPL 226 in offshore Nigeria. ShoreCan will hold a net 10% interest following the Essar Transaction which could subject ShoreCan to various risks as a minority shareholder in Essar Nigeria, should the Essar Transaction be completed. The terms of ShoreCan's acquisition of its interests in Nigeria and the terms of the COPL Group's joint venture arrangements, are discussed in more detail under the heading "*Description of the Business – Property Interests – Nigeria*".

COPL may complete other acquisitions in the future with a view to strengthening its position in the oil and natural gas industry and to create the opportunity to realise certain benefits. Achieving the benefits of these acquisitions depends in part on factors outside of the COPL Group's control.

The consideration and rationale for acquisitions is largely based on engineering, environmental and economic assessments made by the COPL Group, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which may be imposed. Many of these factors are subject to change and are beyond the control of the COPL Group. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Unforseen Title Defects and Disputes

Although title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the COPL Group's title to certain assets or that environmental defects or deficiencies do not exist. If this type of defect were to occur, the Company's entitlement to the production and reserves and, if applicable, resources from the purchased assets could be jeopardized. Furthermore, from time to time, the Company may have disputes with industry partners as to ownership rights of certain properties or resources, including with respect to the validity of oil and gas leases held by the COPL Group or with respect to the calculation or deduction of royalties payable on the COPL Group's production. Although the COPL Group believes that the Agamore claims to a 37% interest in OPL 226 are without merit and will likely be set aside by Nigerian courts in due course, there can be no assurance that this will be the case. Such deficiencies or defects could result in a reduction of the value of an investment in the Company.

Foreign Operations

The COPL Group carries on its business in the United States and Nigeria, and plans to carry on its business in other foreign countries, where exploration for and exploitation, production and sale of oil and gas are subject to extensive laws and regulations, including complex tax laws and environmental laws and regulations. As such, the COPL Group's business, prospects, financial condition or results of operations could be significantly affected by risks over which it has no control. These risks may include risks related to economic, social or political instability or change, government intervention relating to the oil and gas industry, expropriation, actions by terrorist or insurgent groups, war, civil unrest, security issues, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership or foreign investors, interpretation or renegotiation of existing contracts, government participation, taxation policies, including royalty and tax increases and retroactive tax claims, and investment restrictions, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties, government control over domestic oil and gas pricing, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to licences to operate and concession rights in countries where the COPL Group currently operates, and difficulties in enforcing the COPL Group's rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations. Problems may also arise due to the quality or failure of locally obtained equipment or technical support, which could result in failure to achieve expected target dates for exploration operations or result in a requirement for greater expenditure.

The COPL Group does business in Nigeria, and plans to do business in other foreign countries, with inherent risks relating to fraud, bribery and corruption

Fraud, bribery and corruption are more common in some jurisdictions than in others. The COPL Group plans to carry on its business in certain jurisdictions that have been allocated low scores on Transparency International's "**Corruption Perceptions Index**". Doing business in international developing markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. In addition, the oil and gas industries have historically been shown to be vulnerable to corrupt or unethical practices.

The COPL Group uses its best efforts to prevent the occurrence of fraud, bribery and corruption, but it may not be possible for the COPL Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The COPL Group may therefore be subject to civil and criminal penalties and to reputational damage. Participation in corrupt practices, including the bribery of foreign public officials, by the COPL Group, its subsidiaries or other predecessors in interest, whether directly or indirectly (through agents or other representatives or otherwise) may also have serious adverse consequences on the rights and interests of the COPL Group, including but not limited to title to government contracts, licenses and concessions, including PSCs.

Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the COPL Group operates, could have a material adverse effect on its business, prospects, financial condition or results of operations. In addition, as a result of the COPL Group's anti-corruption training programs, codes of conduct and other safeguards, there is a risk that the COPL Group could be at a commercial disadvantage and may fail to secure contracts within jurisdictions that have been allocated a low score on the Corruption Perceptions Index to the benefit of other companies who may not have or comply with such anti-corruption safeguards.

Permits, Licences, Approvals and Authorizations

The operations of the COPL Group require permits, licences, approvals and authorizations from various governmental and non-governmental authorities. Such permits, licences, approvals and authorizations are subject to the discretion of the applicable governmental and non-governmental authorities. The COPL Group must comply with existing standards, laws and regulations, as applicable that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. By way of example, the DPR takes the view that ShoreCan's previous acquisition of 80% of the issued share capital of Essar Nigeria, requires ministerial consent in order to effectively transfer the interest in OPL 226 owned by Essar Nigeria. An application for ministerial consent has been filed and ShoreCan is awaiting the outcome, which the Directors believe consent will be forthcoming. There can be no assurance that the COPL Group will be able to obtain all necessary permits, licences, approvals or authorizations. Failure to obtain such licences, permits, approvals or authorizations may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The COPL Group's intended activities will be dependent on such permits, licences, approvals and authorizations which, if obtained, could subsequently be withdrawn or made subject to limitations. Failure to obtain Nigerian ministerial consent for the OPL 226 Transaction could result in ShoreCan being required to dispose of its shares in Essar Nigeria, although the Directors believe they might also have a range of other options to satisfy any ministerial concerns about OPL 226, such as bringing in another joint venture partner. There can be no guarantee as to the terms of any such permits, licences, approvals and authorizations that future permits, licences, approvals and authorizations will be renewed or, if so, on what terms when they come up for renewal. Properties in the jurisdiction in which the COPL Group currently carries on business are subject to licence requirements, which generally include, inter alia, certain financial commitments which, if not fulfilled, could result in the suspension or ultimate forfeiture of the relevant licences. Government action, which could include non-renewal of licences, may result in any income receivable by the COPL Group or licences held by the COPL Group being adversely affected. In particular, changes in the application or interpretation of laws and/or taxation provisions in the regions in which it carries on business could adversely affect the value of the COPL Group's interests.

Expiration of License and Leases

The COPL Group's properties are held in the form of licences and leases and working interests in licences and leases. If the Company or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the COPL Group's licences or leases or the working interests relating to a licence or lease and the associated abandonment and reclamation obligations may have a material adverse effect on the COPL Group's business, financial condition, results of operations and prospects.

Changes in government policy could have a negative impact on the COPL Group's business

Governments of oil and gas producing jurisdictions typically exercise significant influence over their domestic oil and gas industries, as well as many other aspects of their respective economies. Government policy may change to discourage foreign investment or restrictions and requirements not currently foreseen may be implemented. There can be no assurance that the COPL Group's assets and properties will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, the COPL Group's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property or environmental legislation. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts or oil and gas exploration policy, laws or practice), could have a material adverse effect on the COPL Group. Sovereign or regional governments could also require the COPL Group to grant to them larger shares of oil and gas or revenues than previously agreed to, or postpone or review projects, nationalize assets, or make changes to laws, rules, regulations or policies, in each case, which could adversely affect the COPL Group's business, prospects, financial condition or results of operations.

"Resources" vs. "Reserves"

Throughout this AIF, the COPL Group has attempted to provide an appreciation of the potential that the COPL Group's asset base offers. In doing so, the COPL Group often uses the terms "resource" or "resources". These terms refer to the estimated original resource size of a particular prospect and it should be distinguished from reserves. Reserves are the amount of hydrocarbons that are estimated to be economically recoverable from a particular resource base from a given date forward. Ultimate recoverable reserves can range widely depending on resource characteristics, available technologies and economic and contractual parameters. As at the date of this AIF, the COPL Group's only reserves are part of the Wyoming Assets.

Estimates of Resources

The resources estimates presented in the NSAI Report have been classified as contingent and prospective resources. The resources included in the NSAI Report are estimates only. There is no certainty that any portion of the prospective resources will be discovered. Additionally, there is no certainty that it will be commercially viable to produce any portion of the contingent resources or, if discovered, any portion of the prospective resources. Investors are cautioned that the quantities presented are estimates only and should not be construed as being exact quantities. The COPL Group's proposed exploration program must be considered as a high-risk exploration play.

Reserves Estimates

There are numerous uncertainties inherent in estimating reserves and the future net revenues attributed to such reserves. The reserves and associated net revenue information set forth in Appendix A of this AIF are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net revenues from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. Our actual production, revenues, taxes and development and operating expenditures with respect to our reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

In respect of the COPL Group's Wyoming Assets, Ryder Scott has used forecast prices and costs in estimating the reserves and future net revenues as disclosed under Appendix A of this AIF. Actual future net revenues will be affected by other factors, such as the COVD-19 pandemic, actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

The reserve estimates in the Ryder Scott Report are based on escalating price parameters. As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. Recoverable reserves and the income attributable thereto have a direct relationship with hydrocarbon prices actually received, therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented therein.

Actual production and net revenues derived from our oil and natural gas reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities we intend to undertake in future years. The reserves and estimated net revenues to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation set forth in Appendix A is effective as of December 31, 2021 and, except as may be specifically stated herein, has not been updated and therefore does not reflect changes in our reserves since that date.

Status and Stage of Development

The COPL Group currently has no production in Nigeria. There can be no assurance that any of the COPL Group's properties in Nigeria will commence production, generate earnings, operate profitably or provide a return on investment in the future.

There is a risk that none of the proposed exploration, appraisal or development of the COPL Group's assets will be completed on time or within the applicable capital cost estimates or at all. Additionally, there is a risk that proposed projects may experience delays, interruption of operations or increased costs due to many factors, including, without limitation:

- breakdown or failure of equipment or processes;
- construction performance falling below expected levels of disruptions or declines in productivity;
- design errors;
- contractor or operator errors;
- non-performance by third party contractors;
- labour disputes;
- disruptions or declines in productivity;
- increases in materials or labour costs;
- inability to attract sufficient numbers of qualified workers;
- delays in obtaining, or conditions imposed by, regulatory approvals;
- changes in project scope;
- violation of permit requirements;
- disruption in the supply of energy and other inputs, including natural gas and diluents;
- catastrophic events such as fires, earthquakes, storms or explosions; and
- numerous factors, many of which are beyond the COPL Group's control, could impact the COPL Group's ability to explore and develop these assets and the timing thereof, including the risk factors set forth elsewhere in this AIF.

Reliance on Key Individuals

Although the COPL Group has experienced senior management and personnel, the COPL Group is substantially dependent upon the services of a few key personnel. The loss of services of these individuals could have a material adverse effect on the business of the COPL Group. Competition for qualified personnel in the oil and gas industry markets is intense, and the COPL Group may be unable to attract or retain highly qualified individuals, or its key personnel, in the future. The rate of growth of the COPL Group's operations and personnel may strain operating and control systems.

Insurance

Oil and gas operations will be subject to the risks normally associated with the operation and development of oil and natural gas properties and the drilling of onshore and offshore oil and natural gas wells, including encountering unexpected formations or pressures, blowouts, cratering and fires, all of which could result in personal injuries, loss of life and damage to the property of the COPL Group and others. In accordance with customary industry practice, the COPL Group may not be fully insured against all of these risks, nor are all such risks insurable. The Company may become liable for damages arising from events against which it cannot insure, or against which it may elect not to insure because of high premium costs, or other reasons. The COPL Group intends to maintain an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blow-outs and destruction to the environment.

Marketability of Crude Oil and Natural Gas

The marketability and price of oil and natural gas will be affected by numerous factors beyond the control of the COPL Group. The COPL Group will be affected by the differential between the price paid by refiners for light quality oil and the medium grades of oil which may be produced by the COPL Group. The ability of the COPL Group to market its oil and natural gas may depend upon its ability to acquire access to production facilities and space on pipelines. The COPL Group will also be subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its reserves to pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Following the Atomic Acquisition of the Wyoming Assets, the Company entered into risk management contracts until February 29, 2024 to manage the Atomic Group's exposure to commodity pricing risk on majority of its production.

Availability of Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling equipment in the particular areas where such activities will be conducted as well as production equipment, such as pipe for pipelines, manifolds, valves, compressors and other equipment, which may be unavailable or subject to long lead times between order and delivery. Similarly, installation of production equipment and operation of drilling rigs offshore is highly dependent on a wide range of service providers, many of which are in limited supply. Demand for such limited equipment, access restrictions and availability of service providers may delay exploration, development and production activities.

Nature of Reserves and Additional Funding Requirements

Obtaining future production from proven undeveloped, probable and possible reserves, and the development of properties where oil is discovered, are each conditional on the availability of additional financing to fund the specific capital expenditures necessary to develop the reserves or develop the properties. Such additional financing may not be available in the near term or, if available, may not be available on favourable terms. The ability of the COPL Group to arrange such financing in the future will depend in part upon the prevailing capital market conditions. There can be no assurance that the COPL Group will be successful in its efforts to arrange additional financing in the near term. If adequate funds are not available, the COPL Group may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Project Risks

The COPL Group may manage in the future a variety of prospective small and/or large projects in the conduct of its business. Project delays may setback the expected revenues from operations and significant project cost over-runs could make a project uneconomic. The COPL Group's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the COPL Group's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of, and demand for, oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

As a result of these factors, the COPL Group could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

The COPL Group may experience delays in production, marketing and transportation

Various production, marketing and transportation conditions may cause delays in gas, natural gas liquids and oil production and adversely affect the COPL Group's business. For example, the Wyoming Assets gas transportation systems connect to other pipelines or facilities which are owned and operated by third parties. These pipelines and other midstream facilities upon which the COPL Group relies for the supply of gas or natural gas liquids and sale of oil production, may become unavailable because of testing, turnarounds, line repair, reduced operating pressure, lack of operating capacity, regulatory requirements, curtailments of receipt or deliveries due to insufficient capacity or because of damage. The lack of availability of capacity on third-party systems and facilities could reduce the price offered for the COPL Group's production or result in the shut-in of producing wells. Any significant changes affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities, could delay the COPL Group's production, which could negatively impact the COPL Group's business, results of operations, financial condition or prospects.

The COPL Group faces production risks and hazards that may affect its ability to produce gas, natural gas liquids and oil at expected levels, quality and costs and that may result in additional liabilities to the COPL Group

The Wyoming Assets production operations are subject to numerous risks common to its industry, including, but not limited to, premature decline of reservoirs, incorrect production estimates, invasion of water into producing formations, geological uncertainties such as unusual or unexpected rock formations and abnormal geological pressures, low permeability of reservoirs, contamination of gas and oil, blowouts, oil and other chemical spills, explosions, fires, equipment damage or failure, natural disasters, uncontrollable flows of oil, gas or well fluids, adverse weather conditions, shortages of skilled labour, delays in obtaining regulatory approvals or consents, pollution and other environmental risks. If any of the above events occur, environmental damage, including biodiversity loss or habitat destruction, injury to persons or property and other species and organisms, loss of life, failure to produce gas, natural gas liquids and oil in commercial quantities or an inability to fully produce discovered reserves could occur. These events could also cause substantial damage to the COPL Group's property and its reputation and put at risk some or all its interests in licences, which enable the COPL Group to produce, and could result in the incurrence of fines or penalties, criminal sanctions potentially being enforced against the COPL Group and its management, as well as other governmental and third-party claims. Consequent production delays and declines from normal field operating conditions and other adverse actions taken by third parties may result in revenue and cash flow levels being adversely affected. Moreover, should any of these risks materialize, the COPL Group could incur legal defence costs, remedial costs and substantial losses, including those due to injury or loss of life, human health risks, severe damage to or destruction of property, natural resources and equipment, environmental damage, unplanned production outages, clean-up responsibilities, regulatory investigations and penalties, increased public interest in the COPL Group's operational performance and suspension of operations.

Third Party Credit Risk

The COPL Group may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the COPL Group, such failures may have a material adverse effect on the COPL Group's business, financial condition, results of operations and prospects. In addition, poor conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the COPL Group's ongoing capital program, potentially delaying the program and the results of such program until the COPL Group finds a suitable alternative partner. As at December 31, 2021, the Company recognized a full allowance for expected credit loss of US$0.4 million against the long-term receivable due from its partner in ShoreCan.

Operating Hazards and Other Uncertainties

Acquiring, developing, exploring for and producing oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, craterings, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions and environmental risks. Should the COPL Group be successful at acquiring properties, it will maintain insurance in accordance with customary industry practice, though the COPL Group cannot fully insure against all of these risks. Losses resulting from the occurrence of these risks could have a material adverse impact on the COPL Group's business, prospects, financial condition and/or results of operations.

The COPL Group cannot accurately predict its future decommissioning liabilities

The COPL Group, through its lease and license interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields, pipelines and related infrastructure. Decommissioning as referred to in this risk factor includes plugging and closing wells, removing surface infrastructure, remediating any contamination and restoring the land for future use. These obligations are derived from legislation and regulatory requirements concerning the decommissioning of wells, pipelines and production facilities and require the COPL Group to make provisions for, assume and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the COPL Group will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the COPL Group will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the COPL Group will remain liable and its decommissioning obligations could be increased significantly through such default. Any such increase in the actual or estimated decommissioning costs that the COPL Group incurs may adversely affect its financial condition. Furthermore, as the infrastructure at the Wyoming Assets is relatively new with short or medium term limited decommissioning risk, the COPL Group is cannot guarantee to what extent, if any, it can contribute towards the decommissioning risk as it progresses the drilling of new wells as anticipated from 2022 onwards.

Competition

The oil and gas industry is highly competitive, particularly as it pertains to the acquisition, exploration, production and development of oil and natural gas reserves, for capital to finance such activities and for skilled industry personnel, the construction and operation of crude oil and natural gas pipelines and facilities, and the transportation and marketing of crude oil, natural gas, sulphur and other petroleum products. Competitors include major integrated oil and gas companies and numerous other independent oil and gas companies and individual producers and operators, many of which have greater technical, financial and other resources than the COPL Group.

The COPL Group's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators, and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. Hiring and retaining technical and administrative personnel continues to be a competitive process. To meet this challenge, the COPL Group provides opportunities for existing and prospective consultants and employees to participate in the equity of the COPL Group. The COPL Group believes its competitive advantage is its scientific, integrated approach to successfully identify desirable drilling prospects.

Joint Property Ownership

It is common for more than one company to have an equity stake in a license or a project, as is the case with the COPL Group's interest in the Wyoming Assets and OPL 226.

The Wyoming Assets consist of operating working interests in approximately 43,286.2 acres of contiguous Leasehold in Wyoming, US as at December 31, 2021. The Leasehold is a combination of the following: (i) Fee Simple Freehold Leases; (ii) State of Wyoming Leases; and (iii) Federal Leases. Within the Leasehold there are three Units: Two (2) production Units being the BFU (58.0% working interest); and the CCU (66.7% working interest); as well as one unitized exploration area being the BFDU. The purpose of the formation of these Units is to align the various Lessors' interests through the terms of their respective leases with those of the Lessees whose working interest is defined through the Unit.

Relationships between the Lessees are governed by a UOA that is an underlying contractual framework for the operation of the Unit in the oil and natural gas industry. The UOA is a contract where two or more parties agree to undertake a common task to explore and exploit an area for hydrocarbons. There are UOAs for each of the three Unit areas. In two of the UOAs (BFDU and BFU) there are two main partners – Cuda LLC and CNOOC. In the Cole Creek UOA, only Atomic and Cuda LLC are participating parties. In all three UOA's the participating parties have appointed SWP as the operator of the Unit and as such SWP is also a party to the UOA. The Atomic Group's respective acreage interests in each Unit area as at December 31, 2021 are as follows:

Atomic Group Wyoming leases	**CCU (65.5% working interest)**	**BFDU (55.6% working interest) and BFU (58.8% working interest)**	**Acreage outside unitized lands (average working interest 58.8%)**	**Total Acreage**
Gross acres	6,000.0	24,458.3	12,827.9	43,286.2
Net acres	3,931.1	14,325.2	7,543.6	25,799.9

The operator is responsible for the day-to-day management and operation of the field. The main duty of the operator is to carefully plan the activities in order to increase the profitability of the operations, however, it is not usually liable for any loss of production or revenues as a result of its decisions except in cases of gross negligence and/or wilful misconduct.

As the name suggests, parties other than the operator are designated as "non-operators". The most important duty of non-operators is to answer any cash-calls as the operation requires. Non-operators form part of the Unit operating committee ("**UOC**") which oversees the activities of the operator. The voting rights of operators and non-operators in the UOC are as per the interest they hold in the UOA.

There are a number of model UOA's like that of the American Association of Petroleum Landmen 610 (AAPL), Association of International Petroleum Negotiators 2002 (AIPN), Canadian Association of Petroleum Landmen

2007 (CAPL), and Oil and Gas UK Standard JOA 2007 (OGUK) which specifies and details different features of the UOA. A typical UOA will include the following:

- Duration of the agreement;
- Parties to the agreement;
- Parties' participating interests;
- Scope of work;
- Exclusive operations;
- Designated operator;
- The UOC;
- Cost control and contracting;
- Hydrocarbon allocation;
- Hydrocarbon lifting and disposal;
- Transfer of interests;
- Withdrawal from UOA;
- Liabilities;
- Decommissioning;
- Default;
- Dispute resolution; and
- Accounting procedure.

The various UOAs related to the Wyoming Assets are consistent with these generalities.

With respect to OPL 226, the COPL Group through its joint venture company owns shares in the licence holder and has entered into the Essar Nigeria Shareholders Agreement to set out the rights, duties and understandings of the COPL Group and its partners and to govern the expectations for how the project will be carried out.

The Essar Nigeria Shareholders Agreement provides that if the other party commits a material breach of the agreement, the innocent party is entitled to terminate the shareholders agreement. In the event that the agreement is properly terminated, the innocent party has the further right to require the defaulting party to sell its shares to the innocent party at either the price offered by the innocent party or at another price with reference to the fair market price of the shares as determined by an internationally recognised investment bank. The Essar Nigeria Shareholders Agreement does not provide a timeframe for either the appointment of the investment bank or the determination of the fair price. Once a fair price is determined the parties would have 60 days thereafter to close the sale of the shares subject only to the receipt of any necessary regulatory approvals. If the sale could not be completed within 180 days of such fair price being determined the sale process would be voided.

In certain situations, these co-owners may have objectives and interests that do not coincide with and may conflict with the Company's interests. Also, failure to satisfactorily meet demands or expectations by all of the parties may affect the Company's participation in the operation of such assets or in the development of such projects, the Company's ability to obtain or maintain necessary licences or approvals, or the timing for undertaking various activities. In addition, disputes may arise pertaining to the timing, scope, funding and/or capital commitments with respect to projects that are being jointly developed. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, reserves and results of operations.

Access to African Production Facilities

Sub-Saharan Africa is a large geographical area and, except for only a few countries, is only lightly explored. In addition, offshore oil and gas developments are typically substantially more expensive than onshore developments because of the nature of weather offshore, transportation challenges, and the inherent difficulties of installing and servicing equipment on the ocean floor especially in deeper water areas. Severe weather conditions can result in delays and increased costs of the projects.

Global Financial Instability

In the autumn of 2007 and again in 2008, a severe crisis in some of the world's largest banks and other financial institutions led to sharp contractions in the availability of credit for debt financing in the years that followed. A number of banks and financial institutions around the world either failed or required massive government bailouts to continue operating, including several major banks in the US and the UK. The crisis ushered in a severe recession across the globe that also led to a sharp drop in the price of oil. Similar shocks to the global financial system as a consequence of the COVD-19 pandemic, Russia's military invasion of Ukraine and rising civil unrest and activism globally, could again increase the volatility of commodity prices and adversely impact oil company's revenues and ability to access debt and equity financing. Any such occurrence may have a material adverse effect on the COPL

Group's business, prospects, financial condition or results of operations.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The COPL Group cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations.

Debt Covenants of the Company may be Exceeded With no Ability to Negotiate Covenant Relief

Declines or continued volatility in crude oil and natural gas prices may result in a significant reduction in earnings or cash flow, which could lead to the Company's increased indebtedness in order to carry out its operations and fulfill its obligations. If the Company does not comply with the applicable covenants under its existing credit facilities and debt securities, there is a risk that the Company may not be able to negotiate covenant relief with its lenders, repayment could be accelerated and/or the Company's access to capital could be restricted or only be available on unfavourable terms, which may have a material adverse effect on the Company's operations and financial condition.

Interest Rate Cash-Flow Risk

Floating rate debt may be used to finance development activities, if it is available in the future. The floating rate debt obligations would expose the COPL Group to changes in interest payments due to fluctuations in interest rates. The COPL Group may also be exposed to higher interest rates when debt instruments are maturing and require refinancing, or when new debt capital needs to be raised. Further the COPL Group will be exposed to changes in interest rates if derivative instruments are used to manage the debt portfolio. Unfavourable changes in interest rates could have a material adverse effect on the COPL Group's business, financial condition and results of operations.

Geo-Political Change

The marketability and price of oil and natural gas that may be acquired or discovered by the COPL Group is, and will continue to be, affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East or Europe, and other areas of the world, may have a significant impact on the price of oil and natural gas. Any event could result in a material decline in prices and therefore result in a reduction of the COPL Group's net production revenue.

In addition, the COPL Group's oil and natural gas properties, future wells and facilities could be subject to a terrorist attack. If any of the COPL Group's properties, wells or facilities are the subject of a terrorist attack it may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The COPL Group will not have insurance to protect against the risk of terrorism.

Russia/Ukrainian Conflict

In February 2022, Russian military forces invaded Ukraine. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("**NATO**") has also mobilized forces to NATO member 52 countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. In addition, certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy. As part of the sanctions package, the German government paused the certification process for the 1,200 km Nord Stream 2 natural gas pipeline that was built to carry natural gas from Russia to Germany. Russia is a major exporter of oil and natural gas. Disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and have a significant impact on worldwide prices of oil and natural gas. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.

ShoreCan Joint Venture Risks

The Company has entered into a joint venture arrangement with Shoreline to form ShoreCan. Pursuant to the terms of that arrangement, the Company may have a lesser degree of control over the joint venture that may expose the Company to additional operational, financial, compliance and legal risks.

Generally:

- the Company (or relevant person) may be dependent on the joint venture counterparty for capital, product distribution, local market knowledge, or other resources
- the Company's (or relevant persons) ability to exercise management control or influence over the joint venture and the success of its investments in it will depend on the cooperation between the joint venture participants and the terms of the joint venture agreement, which allocates control among the joint venture participants;
- if the Company (or relevant person) is unable to effectively manage the joint venture; and/or
- the joint venture counterparty fails to meet its obligations under the joint venture arrangement, encounters financial difficulty, elects to alter, modify or terminate the relationship, or a joint venture does not comply with local legislation or regulations; and
- the Company (or relevant person) may be unable to achieve its objectives and its results of operations may be negatively impacted.

Cyber Attacks or Terrorism

The Company may be threatened by problems such as cyber-attacks, data breaches, cyber extortion, computer viruses, or terrorism that may disrupt operations and harm operating results. Additionally, use of personal devices by employees, vendors or other third parties can create further avenues for potential cyber-related incidents, as the Company has limited control over the use and safety of these devices. Information technology and cyber risks have increased since the COVID-19 pandemic, with cybercriminals taking advantage of remote working environments to increase malicious activities, creating more threats for cyberattacks, including phishing emails, malware embedded mobile apps that purport to track COVID-19 infection rates, and targeting of vulnerabilities in remote access platforms. Furthermore, the adoption of emerging technologies, such as cloud computing, artificial intelligence and robotics, call for continued focus and investment to manage risks effectively.

While the Company expects that the probability of a targeted attack is low, security measures have been implemented to protect the Company's information technology systems and network infrastructure. Despite the implementation of security measures, technology systems may be vulnerable to disability or failures due to hacking, viruses, acts of war or terrorism, and other causes. Additionally, the Company is reliant on third party service providers for certain information technology applications. While the Company believes that these third-party service providers have adequate security measures, there can be no assurance that these security measures will prevent any cyber events or computer viruses from impacting the Company. If the Company is unable to recover from such cyber events in a timely way, the Company might be unable to fulfil critical business functions, which could have a material adverse effect on the business, financial condition, and results of operations.

The Company may be required by regulators or by the future terrorist threat environment to make investments in security that cannot be predicted. The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect the COPL Group's business and results of operations.

Potential Undisclosed Liabilities Associated with the Atomic Acquisition

In connection with the Atomic Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence which was conducted prior to the execution of the Atomic Acquisition's acquisition agreement. While the agreement included customary representations and warranties appropriate for a transaction of this nature, the Company may not be indemnified for some or all of these liabilities.

Operating in African Countries

The COPL Group carries on business in African countries such as Nigeria and intends to carry on business in other African countries in the future. Social, political and economic conditions in Africa are in varying stages of development and are volatile. Volatility may be caused, without limitation, by the following:

- significant governmental influence over many aspects of local economies;
- unexpected or radical changes in legislation, regulatory requirements, labour conditions or other government policies, and changes in interpretations or enforcement of existing laws or regulations;
- governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region;
- changes in tax laws and conflicting national or local interpretations of tax laws;
- political, social and economic instability, terrorism, war and civil disturbances;
- damage to equipment or violence directed at employees, including kidnapping;
- lack of law enforcement;
- imposition of trade barriers;

- wage and price controls;
- foreign currency fluctuations and devaluation;
- restrictions on currency conversion and repatriation;
- renegotiation, nullification, or unilateral termination of concessions, licences, permits and agreements by government-owned entities;
- seizure, expropriation or nationalization of assets or industries;
- difficulty in collecting international accounts receivables;
- changing political conditions;
- solicitation by government officials for improper payments or other forms of corruption;
- regional economic downturns;
- inflation and adverse economic conditions stemming from governmental attempts to reduce inflation, such as the imposition of higher interest rates and the burden of complying with multiple and potentially conflicting laws; and
- other forms of governmental regulation and economic conditions that are beyond our control.

This volatility could create difficulty for the COPL Group in executing its business strategy, which could have a material adverse effect on its business and financial performance. These factors may impact the profitability and viability of the COPL Group's business in these countries.

Tax regimes in the jurisdictions in which the COPL Group operates are subject to differing interpretations and are subject to change

Tax regimes in the jurisdictions in which the COPL Group operates can be subject to differing interpretations and are often subject to legislative change and changes in administrative interpretation in those jurisdictions. The interpretation by the Company's relevant subsidiaries of relevant tax law as applied to their transactions and activities (including farm-ins and farm-outs) may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities and any profits of the Company's subsidiaries from activities in those jurisdictions may be assessed additional tax or additional transactional taxes, which, in each case, could result in significant additional taxes, penalties and interest, any of which could have a material adverse impact on the COPL Group's business, prospects, financial condition or results of operations.

Foreign Currency Exchange Risk

A significant amount of the COPL Group's proposed activities will be transacted in or referenced to various currencies including Canadian dollars, US dollars and Pounds Sterling. As a result, fluctuations in currencies could result in unanticipated fluctuations in financial results, which are denominated in US dollars. The COPL Group will manage a portion of its exposure to fluctuations in exchange rates, however, there can be no assurance that such management will fully offset the fluctuations.

Governmental Regulation

The industry in which the COPL Group operates is subject to regulation, intervention and certain approvals by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for natural gas and crude oil, increase costs and may have a material adverse effect on the COPL Group.

Environmental Regulations

Offshore oil and gas operations in which the COPL Group is or may in the future be involved with in other foreign jurisdictions, are subject to stringent environmental laws and regulations. These laws and regulations generally require the COPL Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling production facilities, and decommissioning and remediating damage caused by the disposal or release of specified substances. The COPL Group intends to operate in a manner intended to ensure that its projects meet appropriate environmental standards. There can be no assurance that application of existing environmental laws and regulations will not have a material adverse effect on future financial conditions or results of operations.

It is expected that other changes in environmental legislation may also require, among other things, reductions in emissions to the air from operations and could result in increased capital expenditures. Although the COPL Group does not expect that future changes in environmental legislation will result in materially increased costs, such changes could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the COPL Group's financial condition or results of operations.

Climate Change

Public support for climate change action and receptivity to alternative or renewable energy technologies has grown in recent years. Governments in Canada, United States and around the world have responded to these shifting societal attitudes by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, clean energy and fuel standards, and alternative energy incentives and mandates.

At the international level, the United Nations-sponsored Paris Agreement requires nations to submit non-binding, individually-determined emissions reduction targets every five years after 2020. Following President Biden's Executive Order, the United States rejoined the Paris Agreement and, in April 2021, established a goal of reducing economy-wide net greenhouse gas (GHG) emissions 50-52% below 2005 levels by 2030. Additionally, at COP26 in Glasgow in November 2021, the United States and the European Union jointly announced the launch of a Global Methane Pledge, which is an initiative committing to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030, including "all feasible reductions" in the energy sector.

Many countries are developing country-wide approaches to implementing the Paris Agreement. More stringent legislation or regulations in the United States and Canada, relative to other jurisdictions, including requirements to significantly reduce GHG emissions, water consumption, or setback requirements for facilities and wells, could result in increased costs and competitive disadvantages. Failure to comply with such regulations and laws could result in significant penalties being imposed. The Company is unable to predict the impact of the Paris Agreement and other related regulations on its operations. It is possible that mandatory emissions reduction requirements may have a material adverse effect on the Company's financial condition, results of operations and cash flow.

The COPL Group's proposed exploration activities and production activities will emit greenhouse gases and require the COPL Group to comply with greenhouse gas emissions legislation and policy. The direct or indirect costs of these regulations may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The future implementation or modification of greenhouse gases regulations, whether to meet the limits required by the Paris Agreement, Kyoto Protocol, the Copenhagen Accord, the proposed Canadian regulations or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including those of the COPL Group. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the COPL Group and its operations and financial condition.

Market Access Constraints and Transportation

Any production resulting from the COPL Group's projects will need to be transported to market. Disruptions in, or restricted availability of pipeline service and/or marine or rail transport, could adversely affect crude oil and natural gas sales from the markets in which we operate, projected production growth, upstream or refining operations and cash flows.

Interruptions or restrictions in the availability of adequate transportation systems, or the interruption of existing transportation systems, may limit the ability to deliver production volumes and could adversely impact commodity prices, sales volumes and/or the prices received for any products we may produce. Upon commencing any production, the COPL Group will need to rely on local infrastructure and the availability of transportation for storage and shipment of its products. This infrastructure, including storage and transportation facilities, is less developed in Africa than that in North America and may be insufficient for our needs at commercially acceptable terms in some of the localities in which we operate. Further, in Nigeria, the COPL Group would operate offshore and as such rely on helicopters, boats or other transportation methods. Some of these transport methods may result in increased levels of risk and could lead to operational delays which could affect the COPL Group's ability to add to its resource base or produce oil, or serious injury or loss of life and could have a significant impact on the COPL Group's reputation or cash flow. Additionally, some of this equipment is specialized and may be difficult to obtain in the areas of operations, which could hamper or delay operations, and could increase the cost of those operations.

Insufficient transportation infrastructure for the COPL Group's potential production will impact its ability to efficiently access end markets. This may negatively impact the COPL Group's financial performance by way of higher transportation costs, wider price differentials, lower sales prices at specific locations or for specific grades of crude oil, and, in extreme situations, production curtailment.

Country Specific Political Risk – United States

In the United States, the primary way that politics can affect oil and gas development is in the regulatory sense. Typically, an oil and gas company is covered and protected by a range of regulations that limit where, when and how hydrocarbon extraction is performed. This interpretation of laws and regulations can also differ from state to state. That said, political risk generally occurs when oil and gas companies are faced with changing narratives of differing political parties with respect to oil field operations or climate change opinions.

For example, COPL updated its Shareholders, investors and the market on January 28, 2021 on the Company's view of the new Presidential Executive Order pertaining to the US Federal Oil and Gas Leases as it relates to COPL's acquisition of the Atomic Group. The Company believes that the Executive Order signed by the President of the United States will have a largely positive effect on the Atomic Acquisition. The statement by the President of the United States on signing the Executive Order stated the following:

- no new US Federal Oil and Gas Leases will be issued offshore, or onshore through the Bureau of Land Management an arm of the US Department of the Interior;
- there will be a review of existing leases and permitting for oil and gas operations conducted on Federal lands;
- there will be no ban on Hydraulic Fracking;
- legacy suspended wells on Federal Leasehold are to be abandoned to reduce methane emissions; and
- operations on Federal lands shall be conducted with regards to the nation's climate objectives.

The Company believes the Executive Order will have a largely positive effect, and limited negative effects on the Atomic Acquisition for the reasons referred to elsewhere in this AIF.

The Units were formed to align the interest in various leases with those of the working interest owners in the given project area. Atomic has secured drilling permits required to continue to conduct most of its operations on the critical Federal Leasehold. If in the future operations are restricted from the surface of Federal Leasehold, operations can also be conducted from adjoining Fee Simple or State Leasehold directionally. The Atomic assets have new infrastructure and direct access to pipeline with no legacy abandonment or reclamation liabilities. The BFU facilities are state-of-the-art, environmentally responsible facilities with zero gas flaring, minimal methane emissions, with required electricity sourced from an adjacent wind farm.

Country Specific Political Risk – Nigeria

After independence in 1960, Nigerian politics was marked by coups and mostly military rule, until the death of a military head of state in 1998 allowed for a political transition. In 1999, a new constitution was adopted and a transition to civilian government was completed. The government continues to face the task of institutionalizing democracy and reforming a petroleum-based economy.

Nigeria continues to experience longstanding ethnic and religious tensions and although both the 2003 and 2007 presidential elections were marred by significant irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. However, Nigeria remains a difficult market for the foreseeable future primarily as a result of bureaucracy, corruption and difficulty accessing power. Security challenges are historically, and may continue as an additional inhibition with Boko Haram insurgency in the North and instability in the Niger Delta region in the South. Despite efforts to diversify, the Nigerian economy is still significantly over dependent on oil, which provides 75% of government revenues and 80% of export revenues.

Nigeria is highly vulnerable to the global economic disruption caused by COVID-19, particularly due to the pronounced decline in oil prices and spikes in risk aversion in global capital markets. The magnitude of the health impact depends on the duration and the domestic spread of the outbreak, while the economic impact hinges on oil prices. Oil accounts for over 80% of exports, a third of banking sector credit, and half of government revenues. Oil prices also affect growth in non-oil industries and services, with additional pressures arising from foreign portfolio investors' reassessment of risks and domestic liquidity management.

There can be no assurance that the identified political risks in Nigeria will not have a material adverse effect on future financial conditions or results of operations of the COPL Group.

Common Share Price Volatility

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the COPL Group's control, including the following: (i) actual or anticipated changes in oil and natural gas prices, including as a result of the oil price war that was waged between Saudi Arabia and the Russian Federation in 2020; (ii) the Covid-19 pandemic; (iii) actual or anticipated fluctuations in the Company's quarterly results of operations; (iv) recommendations by securities research analysts; (v) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (vi) addition or departure of the COPL Group's executive officers and other key personnel; (vii) sales or perceived sales of additional Common Shares; (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the COPL Group or its competitors; and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the COPL Group's industry or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. Any changes in market-based factors or investor strategies, including environmental, social and governance criteria, or responsible investing criteria/rankings, the implementation of new financial market regulations and fossil fuel divestment initiatives undertaken by governments, pension funds and/or other institutional investors, may adversely affect the trading price of the Common Shares, and/or their inclusion in the portfolios of investment managers. In addition, should the trading price of the Common Shares fall below stock exchange listing thresholds, the exchanges will review the appropriateness of the Common Shares for continued listing on such exchanges. There can be no assurance that continuing fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the COPL Group's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Discretion in the Use of Proceeds

The Company intends to use proceeds of any offerings of securities in the manner described in the offering document for any offering. However, there may be circumstances where, in the judgement of management of the Company, a different use of such proceeds is in the best interests of the Company. The Company has discretion concerning the use of the proceeds of any offerings of securities completed by the Company, as well as the timing of the expenditure of such proceeds. As a result, purchasers of such securities will be relying on the judgment of the Company for the application of the proceeds of any offerings of securities once completed. The Company may use the net proceeds of any offerings in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

Liquidity of the Common Shares and Realization of Investment in Common Shares

Investors and potential investors should be aware that the value of the Common Shares can go down as well as up, and that there may not be a liquid market in the Common Shares.

An investment in the Common Shares may thus be difficult to realize. The ability of an investor to sell Common Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realize on their investment in the Company and they may lose all their investment. In the event of a winding-up of the Company, the Common Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet prior entitlements of creditors.

Dividends

The Company has never declared or paid any cash dividends on its Common Shares. The Company currently intends to retain future earnings, if any, for future operations, expansion and/or debt repayment, if necessary. The Directors do not anticipate paying dividends in the near future. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may consider relevant.

As a result of the foregoing factors, purchasers of Common Shares may not receive any return on an investment in Common Shares held or purchased by them unless they sell such Common Shares for a price greater than that which they paid for it.

Dilution and Further Sales

The exercise of the Options or Warrants will have a dilutive effect on existing Shareholders' percentage ownership of the Company and may result in a dilution of the Shareholders' interest if the price per Common Share exceeds the subscription/conversion price payable at the relevant time.

The COPL Group may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the COPL Group which may be dilutive.

There are no restrictions on the Company issuing or selling Common Shares (or Preferred Shares) other than those pursuant to applicable securities laws and stock exchange policies. The sale of a substantial number of the Common Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares and negatively impact the Company's ability to raise equity capital in the future.

Litigation Risk

There is a risk that the Company or entities in which it has an interest may be subject to litigation, and claims under such litigation may be material. Various types of claims may be raised in these proceedings, including, but not limited to, environmental damage, climate change and the impacts thereof, breach of contract, product liability, antitrust, bribery and other forms of corruption, tax, patent infringement, disclosure, employment matters and in relation to an attack, breach or unauthorized access to the Company's information technology and infrastructure. Litigation is subject to uncertainty and it is possible that there could be material adverse developments in pending or future cases. Unfavourable outcomes or settlements of litigation could encourage the commencement of additional litigation. The Company may also be subject to adverse publicity and reputational impacts associated with such matters, regardless of whether the Company is ultimately found liable. There is a risk that the outcome of such litigation may be materially adverse to the Company and/or the Company may be required to incur significant expenses or devote significant resources in defence against such litigation, the success of which cannot be guaranteed.

MARKET FOR SECURITIES

The outstanding Common Shares are listed and posted for trading on the LSE under the symbol "**COPL**" and on the CSE under the symbol "**XOP**". The Company moved its listing from TSXV to the CSE on October 31, 2018.

The Company's listing on the LSE was suspended on March 17, 2021. Suspension was sought as the Atomic Acquisition amounted to a reverse takeover under the UK Listing Rules and the Suspension would prevent further trading in the Common Shares. At the time the Suspension was announced, the Company advised the market as to its intention to make a further application to the FCA under the Listing Rules for the cancellation of the Company's listing of its Common Shares (the "**Cancellation Application**"), ahead of a proposed listing application for the enlarged COPL Group following the Atomic Acquisition. The Cancellation Application was made and, subsequently amended with agreement of the FCA that such cancellation would take place on the same day as, and immediately preceding, the re-admission of the Common Shares to trading on the LSE.

On August 17, 2021, the Company announced its readmission to trading of its Common Shares on the LSE.

In accordance with the Share Consolidation on October 1, 2021 as indicated in "*General Development of the Business – Three Year History*", all Common Shares and per Common Share amounts disclosed in trading prices and volume reflect the post Share Consolidation on the basis of one post-Share Consolidation Common Share for each one hundred pre-Share Consolidation Common Shares.

Trading Price and Volume

The following table sets forth the price range and trading volume of the Common Shares as reported by the LSE for the periods indicated:

	Common Shares		
Month	**High £**	**Low £**	**Volume**
January 2021	0.330	0.214	43,892,150
February 2021	0.379	0.216	50,743,425
March 2021	0.396	0.330	46,940,799
April 2021	N/A	N/A	N/A
May 2021	N/A	N/A	N/A
June 2021	N/A	N/A	N/A
July 2021	N/A	N/A	N/A
August 2021	0.640	0.326	48,135,372
September 2021	0.400	0.240	68,806,569
October 2021	0.326	0.272	34,911,530
November 2021	0.319	0.200	51,028,044
December 2021	0.218	0.160	27,724,710

The following table sets forth the price range and trading volume of the Common Shares as reported by the CSE for the periods indicated:

	Common Shares		
Month	**High CAD$**	**Low CAD$**	**Volume**
January 2021	1.000	0.500	2,518,382
February 2021	1.000	0.500	1,138,158
March 2021	2.000	0.500	1,773,716
April 2021	1.500	0.500	770,854
May 2021	1.500	0.500	283,222
June 2021	1.000	0.500	437,546
July 2021	1.000	0.500	280,625
August 2021	1.000	0.500	290,792
September 2021	1.000	0.500	326,359
October 2021	0.600	0.450	1,522,385
November 2021	0.530	0.310	1,513,758
December 2021	0.375	0.265	449,131

Prior Sales

Outlined below is a summary of the securities that COPL issued during the financial year ended December 31, 2021, which are not listed or quoted on a marketplace:

Type of Security	Date Issued	Number of Securities	Conversion/Exercise Price
Unit warrants	January 8, 2021	22,500,000	GBP 0.26 (US$0.35)
1st finders warrants	January 8, 2021	187,500	GBP 0.26 (US$0.35)
2nd finders warrants	January 8, 2021	3,054,018	GBP 0.26 (US$0.35)
Broker's warrants	March 8, 2021	2,625,000	GBP 0.32 (US$0.44)
Broker's warrants	December 3, 2021	1,815,000	GBP 0.24 (US$0.32)

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed in "*General Development of the Business*" in respect of the Agamore proceedings and the Essar Mauritius and Cuda claims, there are no material legal proceedings the Company or its subsidiaries are or were a party to, or that any of its property is or was the subject of, since the beginning of 2021, nor are any such legal proceedings known to the Company to be contemplated.

There have not been any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority since the beginning of 2021, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority since the beginning of 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, to the knowledge of the Directors and officers of COPL, none of the Directors or executive officers of COPL or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of COPL, or any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect COPL.

Effective on the Issue Date, the Company entered into the Note with the Holder for a principal amount of CAD$0.2 million, equivalent of US$0.153 million as at the Issue Date. The Note was repayable by the Company on the Maturity Date and bore interest in CAD$ at a rate of 10.0% per annum. No payments of interest or principal amount were required by the Company prior to the Maturity Date although the Company could have elected to prepay a portion or all of the outstanding principal amount of the Note prior to that date. The Note was secured by the Company by way of a general security agreement over its present and after acquired personal property and was to be guaranteed by the Company's subsidiaries.

The terms of the Note were varied, in part, by the Loan Agreement (discussed in "*General Development of the Business – Year – Ended December 31, 2020*"), providing for deferral of the Maturity Date until December 31, 2020, or conversion of the loan into Common Shares at the deemed price of £0.003 per Common Share, being the placing price of the Company's UK Prospectus, at the option of the Holder. On August 19, 2020, the Note was replaced with the CEO Debenture. In December 2020, CEO Debenture was converted (via a placing agreement signed on December 22, 2020 and on same terms as a subsequent equity placing, which closed in January 2021) into 57,500,000 units at a deemed £0.002 per unit and value of £0.115 million (approximately CAD$0.2 million) representing a repayment of the principal amount of the CEO Debenture. The interest accrued on the CEO Debenture up to December 31, 2020 in the amount of US$14,000 (CAD$17,600) was paid in cash on December 31, 2020. The 57,500,000 Common Shares were issued to the Holder on January 11, 2021. See "*General Development of the Business – Year – ended December 31, 2020*".

DIRECTORS AND OFFICERS

The name, location of residence, position(s) with the COPL Group and the principal occupations of the Directors and executive officers of the COPL Group for the past five years are set out in the following table.

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Arthur S. Millholland P. Geol(2)(5) Alberta, Canada	Director, President and CEO	August 14, 2009	The President and CEO of the Company since August 2009. Prior thereto, Mr. Millholland was a Director and the President and CEO of Oilexco Inc. from 1994 until July 2009. Mr. Millholland was a member of the board of directors of Rupert Resources Ltd. from March 2014 to December 2017. He has been a Professional Geologist for over 36 years. Mr. Millholland has worked in a variety of regions including the UK North Sea, Canada, the Gulf of Mexico, the United States, South America, and West and North Africa. He is a graduate of the University of Waterloo where he obtained an Honours Bachelor of Science degree in Earth Science.
Massimo C. Carello(1)(3)(4)(5) London, United Kingdom	Director	September 29, 2009	Mr. Carello has over 40 years of international senior management and board level experience and in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello was a director of Orsu Metals Corp. from September 2008 until December 2016 and a director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to the UK in 1990, where he currently

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
			lives, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello has a degree in Political and International Sciences from the University of Turin.
Harald H. Ludwig(1)(3)(4) British Columbia, Canada	Director and Chairman of the Board	September 29, 2009	Mr. Ludwig has over 30 years of extensive business and investment experience, was the founder and President of Macluan Capital Corp. (a diversified private equity investment company), and is currently the President of Ludwig Investments Corp., a position he has held since April 11, 2016. He was a member of the board of directors of Lions Gate Entertainment Corp. (NYSE) from June 2005 to September 2016, a Director of West Fraser Timber Co. Ltd. (TSX) from May 1995 to April 2017 and a Director of Seaspan Corporation (NYSE) from August 2012 to April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles.
John Cowan(1)(2)(4)(5) Ontario, Canada	Director	November 10, 2015	Mr. Cowan, is a petroleum geologist and has been involved in the Canadian oil and gas industry for 40 years. During this period, he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan's previous public company committee experience includes: audit, corporate governance and reserves, health and safety and compensation. Mr. Cowan was a director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. Mr. Cowan is the Chair of COPL's Audit Committee, Reserve Committee and Health, Safety and Environment Committee. In 2004 Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, Maintenance Inventory Optimization firm until it was sold in 2020. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and current President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario. Mr. Cowan has been appointed a director of COPL Bermuda and COPL Bermuda Holdings since December 2, 2021.
Nigel Little(1)(3)(4) Epping, United Kingdom	Director	December 6, 2021	Mr. Little is an investment banker of 40 years standing and has worked at a senior level within HSBC James Capel, Morgan Stanley International, NationsBank, Nomura International and Canaccord where he was President of the U.K. and a Global Vice-Chairman. He has specialized in energy, natural resources and technology throughout his career. He is a scientist by training (B.Sc. Hons) University of London, University of Cambridge advanced business course and a Fellow of the Securities Institute, a member of the Worshipful Company of International Bankers and a Freeman of the City of London. Mr. Little's institutional clients ranged from the UK, Europe, Canada, the US and the Middle East and his corporate clients were

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
			predominantly in the energy and resources industries. Mr. Little retired from full time investment banking about 10 years ago and in the last five years worked as a non-executive chairman of a start-up private Canadian company called Ebbers Tech, Inc. from May 2019 to April 2021, and is currently the sole director of a private UK company called Prop Investments Limited to manage his own investment portfolio and is a small founding shareholder in a stockbroking business called Morgan & Co in Zimbabwe which was founded in September 2018.
Ryan Gaffney London, United Kingdom	CFO	N/A	Mr. Gaffney has been the Company's CFO since July 2020 and was an advisor to COPL since 2017. He has extensive experience providing corporate finance advice and services to oil and gas companies and mining companies including fundraising, mergers and acquisitions advice. Mr Gaffney was previously Managing Director with investment bank Canaccord Genuity Limited and Canaccord Genuity Corp. where he was employed from 2002 to 2015. He was a Non-Executive Director of Australian Stock Exchange listed Auroch Minerals Limited from 2016 to 2019. He holds a BSBA from the Daniels College of Business at the University of Denver, Colorado.
Rod Christensen Alberta, Canada	Vice-President, Exploration and Exploitation	N/A	Mr. Christensen has been the Company's Vice President, Exploration and Exploitation since December 2011, and was Manager Exploration and Development from November 2010 to December 2011. Prior thereto, Mr. Christensen was a consulting professional geologist to the Company and other clients from August 2009 to October 2010. Mr. Christensen graduated from the University of Washington with a Bachelor of Geological Sciences Degree. He has over 42 years of experience working in the natural resource industry in Western Canada, the UKCS, Africa and throughout the world, and held key positions with Canadian Hunter Exploration, Cuesta Energy, and Oilexco Inc.
Richard Mays Angus, United Kingdom	Vice-President, Business Development and General Counsel	N/A	Dr. Mays has been the Company's Vice President, Business Development and General Counsel since September 2014. He has extensive management and leadership experience in oil and gas companies. Dr. Mays is a Non-Executive Director of Prospex Energy plc and a Director of Sallork Limited and Sallork Property Limited. He was formerly Professor of Law and Deputy Dean of the Aberdeen Business School. He holds LLB (Honours), LLM and PhD degrees and is a Solicitor and Notary Public in Scotland.

Notes:
(1) Member of the Audit Committee.
(2) Member of the Reserve Committee.
(3) Member of the Compensation Committee.
(4) Member of the Corporate Governance and Nominating Committee.
(5) Member of the Health, Safety and Environment Committee.

Each Director of COPL will hold office until the close of the next annual meeting of the Shareholders or until their successor is duly elected or appointed or their office is earlier vacated in accordance with the *Canada Business*

Corporations Act and the Articles and by-laws of COPL. The Board is comprised of a majority of independent directors.

The Board currently has five committees: the Reserves Committee; the Audit Committee; the Compensation Committee; the Corporate Governance and Nominating Committee and the Health, Safety and Environment Committee. Each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are comprised of independent directors.

The Directors and executive officers of COPL as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 3,167,102 Common Shares, approximately 1.63% of the issued and outstanding Common Shares as at the date of this AIF.

Messrs. Gaffney, Christensen and Mays, officers of the Company, devote their full time and attention to the business and affairs of the Company.

The Directors of COPL, with the exception of Mr. Millholland, who devotes his full time to COPL, devote their time and attention to the affairs of COPL as required.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, no Director or executive officer of COPL is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as set forth herein, no Director or executive officer of COPL: (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of a corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Except as set forth herein, no Director or executive officer of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

*Arthur Millholland, Ryan Gaffney, Harald Ludwig, John Cowan, Massimo C. Carello and Viscount Astor (together, the "**Impacted Directors and Officers**")*

The Impacted Directors and Officers were Directors and officers, when on April 1, 2021, the Company announced approval of an application for a MCTO in order to secure additional time for the Company to file its 2020 Annual Filings and Other Disclosure, which was subsequently revoked on May 13, 2021. On May 27, 2021, the Company announced approval of an application for a MCTO in order to secure additional time for the Company to prepare its Q121 Interim Filings and Other Disclosure. On June 30, 2021, the Company announced the MCTO for the Q121 Interim Filings and Other Disclosure had been extended to July 14, 2021 and on July 16, 2021 the Company announced the MCTO for the Q121 Interim Filings and Other Disclosure had been extended to July 26, 2021. The Q121 Interim Filings MCTO was subsequently revoked on July 28, 2021. On August 18, 2021, the Company announced approval of an application for a MCTO was made by the Company in order to secure additional time for the Company to prepare its Q221 Interim Filings, which was subsequently revoked on September 3, 2021.

Harald Ludwig

Mr. Ludwig was the Chairman of Zatikka plc on August 5, 2013, when it was announced that administrators were to be appointed in respect of that company. Mr. Ludwig subsequently resigned as a director of Zatikka plc with effect from August 8, 2013. On October 28, 2013, the administrators of Zatikka plc announced that they intended to exit the administration of that company by means of a creditors' voluntary liquidation.

John Cowan

Mr. Cowan was a director and officer of Dundee Energy Limited until April 2017. On August 16, 2017, a court order for protection under the *Companies' Creditors Arrangement Act* (Canada) was issued with respect to two wholly-owned entities being Dundee Oil and Gas Limited and Dundee Energy Limited Partnership. On June 11, 2018, the Ontario Superior Court of Justice approved a sale of these entities and the transaction was completed on November 16, 2018.

Conflicts of Interest

Certain Directors and executive officers of COPL are, and may continue to be, also directors, officers or shareholders of other oil and gas companies whose operations may, from time to time, be in direct competition with those of COPL or with entities which may, from time to time, provide financing to, or make equity investments in competitors of COPL. In accordance with the *Canada Business Corporations Act*, such Directors and executive officers will be required to disclose all conflicts of interest as such conflicts arise. If a conflict of interest arises at a meeting of the Board, any Director in a conflict will disclose their interest and abstain from voting on such matter.

AUDIT COMMITTEE

Audit Committee

Messrs. Carello, Cowan, Ludwig and Little are the members of the Audit Committee. Mr. Cowan is the Chair of the Audit Committee. The Audit Committee is comprised of independent Directors and constituted in accordance with applicable securities laws and the policies of the CSE.

Independence of Audit Committee

NI 52-110 provides that a member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the member's independent judgment. Each of the members of the Audit Committee, in the view of the Board, is "independent" as that term is defined in NI 52-110.

Financial Literacy of Audit Committee

NI 52-110 provides that an individual is "financially literate" if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All of the Audit Committee members are financially literate as that term is defined in NI 52-110.

Relevant Education and Experience

Massimo Carello

Mr. Carello has over 40 years of international senior management and board level experience and in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello was a director of Orsu Metals Corp. from September 2008 until December 2016 and a director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to the UK in 1990, where he currently lives, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello is a Knight Commander of the Royal Order of Francis I of the Two Sicilies, and has a degree in Political and International Sciences from the University of Turin.

John Cowan

Mr. Cowan, a petroleum geologist, has been involved in the Canadian oil and gas industry for 40 years. During this period, he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan's previous public company committee experience includes: audit, corporate governance and reserves, health and safety and Compensation. Mr. Cowan was a director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. Mr. Cowan is the Chair of COPL's Audit Committee and Reserve Committee. In 2004 Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, Maintenance Inventory

Optimization firm. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario.

Harald Ludwig

Mr. Ludwig has over 30 years of extensive business and investment experience, and is currently the President of Macluan Capital Corp. (a diversified private equity investment company). He was a member of the board of directors of Lions Gate Entertainment Corp. (NYSE) from June 2005 to September 2016, a Director of West Fraser Timber Co. Ltd. (TSX) from May 1995 to April 2017 and a Director of Seaspan Corporation (NYSE) from August 2012 to April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles.

Nigel Little

Mr. Little is an investment banker of 40 years standing and has worked at a senior level within HSBC James Capel, Morgan Stanley International, NationsBank, Nomura International and Canaccord where he was President of the U.K. and a Global Vice-Chairman. He has specialized in energy, natural resources and technology throughout his career. He is a scientist by training (B.Sc. Hons) University of London, University of Cambridge advanced business course and a Fellow of the Securities Institute, a member of the Worshipful Company of International Bankers and a Freeman of the City of London. Mr. Little's institutional clients ranged from the UK, Europe, Canada, the US and the Middle East and his corporate clients were predominantly in the energy and resources industries. Mr. Little retired from full time investment banking about 10 years ago and in the last five years worked as a non-executive chairman of a start-up private Canadian company called Ebbers Tech, Inc. from May 2019 to April 2021, and is currently the sole director of a private UK company called Prop Investments Limited to manage his own investment portfolio and is a small founding shareholder in a stockbroking business called Morgan & Co in Zimbabwe which was founded in September 2018.

Auditors

Audit Committee Oversight

Since the commencement of COPL's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee Charter attached as Appendix D sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of non-audit services.

External Auditor Service Fees

The fees related to the Company's external auditor in the last two fiscal years are set out in the table below. Audit Fees were incurred in connection with annual financial statements, statutory filings, quarterly reviews of financial information and services rendered for prospectuses and other accounting services.

	2021 (US$)	**2020 (US$)**
Audit Fees	**464,774**	**141,599**
Audit-Related Fees	**-**	**-**
Tax Fees	**-**	**-**
All Other Fees	**-**	**-**
Total	**464,774**	**141,599**

MATERIAL CONTRACTS

The only material agreements entered into on behalf of the Company are the Purchase Agreement, the Senior Credit Facility and the Lender Warrant Agreement, which are available on SEDAR. See "*General Development of the Business* - *Three Year History*" for a description of these contracts.

AUDITORS, TRANSFER AGENTS AND REGISTRAR

The auditors of the Company are Ernst & Young LLP, Chartered Accountants, Suite 2200, 250 – 2nd Street S.W., Calgary, Alberta Canada T2P 1M4.

The registrar and transfer agent for the Common Shares and Warrants is Computershare Trust Company of Canada at its principal office in Calgary, Alberta and sub-agency office in Toronto, Ontario.

INTERESTS OF EXPERTS

Ernst & Young LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

As at the date hereof, the designated professionals of NSAI and Ryder Scott, independent reserves auditors, do not beneficially own, directly or indirectly, any securities of the Company.

ADDITIONAL INFORMATION

Additional information relating to COPL, including directors' and officers' remuneration and indebtedness, principal holders of COPL's securities and securities authorized for issuance under the Stock Option Plan, will be contained in the Company's Information Circular for its upcoming annual meeting of security holders that will involve the election of directors and such document will be filed on SEDAR.

Additional financial information is provided in COPL's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year, and which are filed on SEDAR. Documents can also be retrieved from the Company's website at www.canoverseas.com.

APPENDIX A
FORM NI 51-101F1

RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Date of Statement

This statement of reserves data and other oil and gas information of the Company is dated March 31, 2022. The effective date of the information provided in this statement is as of the Company's most recently completed fiscal year ended December 31, 2021, and the preparation date of the information is March 2, 2022.

Disclosure of Reserves Data

The tables contained in this file are a summary of the oil, natural gas and natural gas liquids reserves and the value of future net revenue of Canadian Overseas Petroleum Limited ("**COPL**" or the "**Company**") interests in the Barron Flats and Cole Creek assets in Wyoming, US. This file is based on the report as evaluated by Ryder Scott Petroleum Consultants ("**Ryder Scott**") effective as at December 31, 2021 "Estimated Future Reserves and Income Attributable to Certain Leasehold Interests, Escalated Parameters as of December 31, 2021" for COPL, dated March 2, 2022, (the "**2021 Ryder Scott Report**"). Ryder Scott is an independent qualified reserves evaluator and auditor.

The 2021 Ryder Scott Report evaluated 100% of the reserves of COPL's oil, natural gas and natural gas liquids producing assets, in Wyoming, US. The estimates for COPL international assets in Nigeria are considered to be contingent and prospective resources and are evaluated separately by another independent auditor. The tables below show the reserves and discounted cashflow values for the Company's interests in the State of Wyoming, US, as represented by Ryder Scott.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to COPL's reserves estimated by Ryder Scott represent the fair market value of those reserves. The net present value of future net revenue attributable to the Company's reserves is based on the Ryder Scott price forecast and is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, transportation and marketing costs, development costs, future capital expenditures and well abandonment and reclamation costs, including shut-in and/or suspended wells and facilities. The recovery and reserve estimates of COPL's oil, natural gas and natural gas liquids reserves provided are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided.

In preparing its report Ryder Scott relied upon certain factual information and data furnished by COPL with respect to ownership interests, oil, natural gas and natural gas liquids production, historical costs of operation and development, product prices, agreements relating to current and future operations, sales of production, and other relevant data. The extent and character of all factual information and data supplied were relied upon by Ryder Scott in preparing their report and was accepted as represented without independent verification. Ryder Scott relied upon representations made by the Company as to the completeness and accuracy of the data provided and that no material changes in the performance of the properties has occurred nor is expected to occur, from that which was projected in their reports, between the date that the data was obtained for their evaluations and the date of the 2021 Ryder Scott Report, and that no new data has come to light that may result in a material change to the evaluation of the reserves presented in this appendix.

The evaluations were conducted within Ryder Scott's understanding of petroleum legislation, taxation and other regulations that currently apply to these interests. However, Ryder Scott is not in a position to and did not attest to the property title, financial interest relationships or encumbrances related to the Company's licenses.

The evaluations in the 2021 Ryder Scott Report reflect Ryder Scott's informed judgement based on the Canadian Oil and Gas Evaluation Handbook Standards but is subject to generally recognized uncertainties associated with the interpretation of geological, geophysical and engineering data. The reported hydrocarbon reserves volumes are estimates based on professional engineering judgement and are subject to future revision, upward or downward, because of future operations or as additional information becomes available.

The following tables are prepared from information contained in the 2021 Ryder Scott Report as of December 31, 2021. Some of the numbers in the following tables may not appear to sum to the stated totals because of rounding in the source tables.

Reserve Report Definitions

"**Gross Reserves**" means the Company's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company.

"**Net Reserves**" means the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves.

"**Proved**" reserves means those reserves that can be estimated with a high degree of certainty to be recoverable. There is a 90% probability that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Probable**" reserves means reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"**Possible**" reserves means those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

"**Developed**" reserves means those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production.

"**Developed Producing**" reserves means those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed Non-Producing**" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

"**Undeveloped**" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. They must fully meet the requirements of the reserve classification (Proved, Probable, Possible) to which they are assigned.

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		**Natural Gas**	
bbl	barrel[1]	mcf	thousand cubic feet
bbls	barrels	Mmcf	million cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
Mbbls	thousand barrels	Mmcf/d	million cubic feet per day
MMbbls	Million barrels	GJ	Gigajoule
NGLs	natural gas liquids	GJ/d	Gigajoules per day
boe	barrels of oil equivalent[2]	mmbtu	million British thermal units
boe/d	barrels of oil equivalent per day		
Mboe	thousand barrels of oil equivalent		

Notes:

(1) Each barrel represents 34.972 Imperial gallons or 42.0 US gallons.

(2) The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf of natural gas to one bbl of crude oil or NGLs is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Reserves Data – Breakdown of Reserves

The following table summarizes Ryder Scott's estimates of COPL's oil and gas reserves at December 31, 2021, based on forecast prices and costs.

Table A-1:

SUMMARY OF OIL AND GAS RESERVES AS AT DECEMBER 31, 2021
(Forecast Prices and Costs)

	Light / Medium Oil		Natural Gas		Natural Gas Liquids		Total (1)	
Reserves Category (2)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mboe)	Net (Mboe)
Proved								
Developed producing	6,756.1	5,230.5	3,851.0	2,978.0	385.1	297.8	7,783.0	6,024.5
Developed non-producing	93.1	70.3	-	-	-	-	93.1	70.3
Undeveloped	6,266.8	4,840.6	3,567.0	2,756.0	434.3	335.5	7,295.5	5,635.5
Total proved	13,116.0	10,141.4	7,418.0	5,734.0	819.4	633.2	15,171.7	11,730.2
Probable	12,687.6	9,800.4	4,776.0	3,689.0	636.1	491.2	14,119.6	10,906.3
Total proved plus probable	25,803.5	19,941.7	12,194.0	9,422.0	1,455.4	1,124.4	29,291.2	22,636.5

Notes:

(1) See information related to the boe conversion ratio in abbreviations.
(2) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(3) Gross volumes are the Company working interest volumes.

The following table is a summary of the net present values of future net revenues associated with such reserves at December 31, 2021, based on forecast prices and costs, before and after deducting income taxes, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%. Future net revenue includes estimated future abandonment and reclamation costs related to wells and production facilities required to produce the reserves.

Table A-2:

NET PRESENT VALUE OF FUTURE NET REVENUE AS AT DECEMBER 31, 2021
(Forecast Prices and Costs)

	Before Income Taxes Discounted at (% /year) (US$MM)					After Income Taxes Discounted at (% /year) (US$MM)					Unit Value Before Income Tax Discounted at 10% (1) $/boe (3)
Reserves Category (2)	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
Proved											
Developed producing	224.6	129.1	90.5	70.2	57.4	187.3	110.2	78.7	62.0	51.4	15.03
Developed non-producing	0.8	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6	11.92
Undeveloped	140.5	74.9	40.5	21.0	9.2	117.2	64.0	35.2	18.5	8.2	7.19
Total proved	365.9	204.9	131.9	91.9	67.3	305.2	174.9	114.7	81.2	60.3	11.24
Probable	389.9	210.6	126.0	81.5	56.0	306.7	166.3	99.7	64.8	44.8	11.55
Total proved plus probable	755.7	415.5	257.9	173.4	123.3	611.9	341.2	214.4	145.9	105.0	11.39

Notes:

(1) The unit values are based on net reserves.
(2) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(3) See information related to the boe conversion ratio in abbreviations.

Components of Future Net Revenue

The following table sets out, in the aggregate, the various elements of the Company's future net revenue associated with the Company's reserves, calculated based on forecast prices and costs and without discount.

Table A-3:

COMPONENTS OF FUTURE NET REVENUE AS AT DECEMBER 31, 2021
(Forecast Prices and Costs) (Undiscounted)

Reserves Category [1]	Revenue (US$MM)	Royalties & Burdens [2] (US$MM)	Operating Costs (US$MM)	Development Costs (US$MM)	Abandonment and Reclamation Costs [3] (US$MM)	Future Net Revenue Before Income Taxes (US$MM)	Income Taxes (US$MM)	Future Net Revenue After Income Taxes (US$MM)
Proved								
Developed producing	524.8	115.5	135.9	37.9	10.9	224.6	37.3	187.3
Developed non-producing	6.2	2.1	2.2	0.7	0.5	0.8	0.1	0.7
Undeveloped	490.9	155.8	91.1	96.0	7.5	140.5	23.3	117.2
Total proved	1,021.9	273.4	229.2	134.6	18.9	365.9	60.7	305.2
Probable	1,016.0	322.6	157.5	137.8	8.4	389.9	83.2	306.7
Total proved plus probable	2,038.0	596.0	386.6	272.4	27.2	755.7	143.9	611.9

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(2) Royalties and Burdens include ad valorem and production taxes.
(3) Abandonment and reclamation costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties.

Future Net Revenue by Production Group

The following table provides additional information derived from the 2021 Ryder Scott Report, by production group, regarding the future net revenues associated with the Company's reserves, before deducting income taxes and calculated using a 10% discount rate.

Table A-4:

FUTURE NET REVENUE BY PRODUCT TYPE AS AT DECEMBER 31, 2021
(Forecast Prices and Costs)

Reserves Category [1]	Production Group	Future Net Revenue Before Income Taxes (discounted at 10% /year) (US$MM)	Unit Value Net Reserve Basis (US$/bbl for crude oil) (US$/mcf for natural gas) (US$/boe for totals) [2]
Proved	Light and medium oil (including solution gas and products)	131.9	11.24
	Heavy oil (including solution gas and products)	-	-
	Conventional natural gas (non-associated and products)		
	Non-conventional oil and gas (including solution gas and products)		
	Total	131.9	11.24
Proved plus probable	Light and medium oil (including solution gas and products)	257.9	11.39
	Heavy oil (including solution gas and products)	-	-
	Conventional natural gas (non-associated and products)		
	Non-conventional oil and gas (including solution gas and products)		
	Total	257.9	11.39

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(2) See information related to boe conversion ratio in abbreviations.

Pricing Assumptions

The following tables detail the benchmark reference prices, for the COPL assets in which COPL operated as at December 31, 2021, reflected in the 2021 Ryder Scott Report. At the request of COPL**,** future hydrocarbon price parameters used in the reserve report reflect the future oil and natural gas price forecasts as published by Ryder Scott.

Table A-5:

RYDER SCOTT PRICE FORECAST AS AT DECEMBER 31, 2021						
	Crude Oil		NGLs	Natural Gas		
Year	WTI Cushing Oklahoma (US$/bbl)	Brent North Sea Blend (US$/bbl)	Mont Belvieu Propane (US$/bbl)	NYMEX @ Henry (US$/Mmbtu)	Colorado Interstate (US$/Mmbtu)	Inflation Rate (%)
2022	72.75	75.51	37.86	3.75	3.77	4.9%
2023	68.00	71.26	35.37	3.50	3.47	2.5%
2024	65.00	68.90	33.80	3.15	3.04	2.0%
2025	66.30	70.92	34.47	3.21	3.10	2.0%
2026	67.63	72.35	35.16	3.28	3.16	2.0%
2027	68.98	73.82	35.87	3.34	3.23	2.0%
2028	70.36	75.31	36.58	3.41	3.29	2.0%
2029	71.77	76.83	37.32	3.48	3.36	2.0%
2030	73.20	78.38	38.06	3.55	3.42	2.0%
2031	74.66	79.96	38.82	3.62	3.49	2.0%
2032	76.16	81.58	39.60	3.69	3.56	2.0%
2033	77.68	83.23	40.39	3.76	3.63	2.0%
2034	79.23	84.90	41.20	3.84	3.71	2.0%
2035	80.82	86.62	42.02	3.92	3.78	2.0%
2036	82.44	88.37	42.86	3.99	3.86	2.0%
2037	84.08	90.15	43.72	4.07	3.93	2.0%
2038	85.77	91.97	44.60	4.16	4.01	2.0%
2039	87.48	93.82	45.49	4.24	4.09	2.0%
2040	89.23	95.71	46.40	4.32	4.17	2.0%
2041	91.02	97.64	47.33	4.41	4.26	2.0%
2042	92.84	99.61	48.27	4.50	4.34	2.0%
2043	94.69	101.62	49.24	4.59	4.43	2.0%
2044	96.59	103.67	50.22	4.68	4.52	2.0%
2045	98.52	105.75	51.23	4.77	4.61	2.0%
2046	100.49	107.88	52.25	4.87	4.70	2.0%
thereafter	No further escalation					

The actual weighted average commodity prices received by COPL in 2021 are as follows: (a) light crude oil: US$65.60/bbl; (b) natural gas: $NIL; and (c) NGLs: $NIL. All of the Company's natural gas production is reinjected for the miscible flood recovery scheme in the Barron Flats Shannon Unit ("**BFU**") and NGL production is not measured separately.

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at December 31, 2020 against such reserves as at December 31, 2021 based on the Ryder Scott forecast price and cost assumptions.

Table A-6:

RECONCILATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE AS AT DECEMBER 31, 2021
(Forecast Prices and Costs)

	Light / Medium Oil			Natural Gas Liquids		
Factors	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mbbl)**	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mboe) [2]**
December 31, 2020	13,388	12,717	26,105	815	704	1,518
Extensions and improved recovery	-	-	-	-	-	-
Workovers and interventions	-	-	-	-	-	-
Infill drilling	-	-	-	-	-	-
Technical revisions [3]	(124)	(162)	(286)	(3)	(72)	(75)
Discoveries [4]	75	22	97	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic factors [5]	115	110	226	8	4	12
Production [6]	(338)	-	(338)	-	-	-
December 31, 2021	13,116	12,688	25,804	819	636	1,455

	Associated and Non-Associated Natural Gas			Total		
Factors	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mbbl)**	**Gross Proved (Mboe)**	**Gross Probable (Mboe)**	**Gross Proved Plus Probable (Mboe) [2]**
December 31, 2020	5,467	4,724	10,191	15,114	14,208	29,322
Extensions and improved recovery	-	-	-	-	-	-
Workovers and interventions	-	-	-	-	-	-
Infill drilling	-	-	-	-	-	-
Technical revisions [3]	1,899	23	1,922	190	(230)	(41)
Discoveries [4]	-	-	-	75	22	97
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic factors [5]	52	29	81	132	119	252
Production [6]	-	-	-	(338)	-	(338)
December 31, 2021	7,418	4,776	12,194	15,172	14,120	29,291

Notes:

(1) See definitions of "Proved" and "Probable" Reserves in reserve report definitions.
(2) See information related to boe conversion ratio in abbreviations.
(3) Technical revisions resulted mainly from changes in actual performance compared to previous forecasts, plus operating cost changes and forecast increases to ultimate gas recovery.
(4) Discoveries was the exploration well in the Barron Flats Federal Deep Unit ("**BFDU**").
(5) Economic factors result from oil and natural gas price forecasts used in the 2021 Ryder Scott Report that were higher than the oil and natural gas forecasts used in the prior Ryder Scott reserve report, resulting in positive impacts on all reserve volumes.
(6) Represents oil production for 2021 and produced natural gas is reinjected for the miscible flood recovery scheme in the BFU and not sold and NGL production is not measured separately.

Additional Information Relating to Reserves Data

Undeveloped Reserves

Undeveloped reserves are attributed by Ryder Scott in accordance with standards and procedures contained in the COGE Handbook. COPL attributes Proven or Probable Undeveloped reserves on the basis of those reserves expected to be recovered from known accumulations where significant expenditures are required to render them capable of production. COPL's plans for development of its Proved Undeveloped Reserves ("**PUD**") and its Probable Undeveloped Reserves ("**PROB**") are outlined in the below sections.

Barron Flats Unit ("BFU") – Future Development

The Barron Flats property produces from the BFU Shannon oil pool. Over a large portion of the pool, miscible gas flooding is currently underway, a project which received regulatory approval in 2019. As of December 31, 2021, phase 1 of the miscible flood recovery scheme is substantially online, with eight operational injection wells and thirty-two operational producing wells within the BFU gas flood area. As well, most of the required large equipment purchases for the purposes of gas flood operations have already occurred.

COPL has planned additional drilling of 19 oil wells within the Shannon pool starting in the third quarter of 2022. Based on the proposed development schedule provided by the client, and net pay mapping completed by Ryder Scott, a total of 23 new locations were included as PUDs (16 producers and 7 injectors), and 12 additional locations were assigned PROBs (9 producers and 3 injectors).

Based on information provided by COPL at the time of report compilation, Ryder Scott has estimated the drilling schedule and scheduled future drilling in accordance with that schedule. It is recognized that COPL may have plans to modify the timing of the well drilling (space out the drilling over 2022 and 2023) and the assumed schedule may change. Generally speaking, capital is forecast to be invested one month prior to the online date.

Cole Creek Unit ("CCU") – Future Development

COPL plans to drill 48 new horizontal oil wells in the Dakota and Frontier sands; this is comprised of 17 PUD locations and 31 PROB locations. In the near term, COPL plans to drill one Dakota horizontal oil well and one Frontier horizontal oil well in 2022, followed by one Dakota and three Frontier horizontal oil wells in 2023. Ryder Scott has based these assumptions on information provided by COPL at the time of report compilation and recognizes that the plan and timing schedule could change. There are currently 9 producers in the CCU field.

In 2021, COPL finished 4 recompletions in the Frontier formation and is also planning four or more Frontier up-hole recompletions/stimulations of existing wellbores in 2022 or 2023.

Significant Factors or Uncertainties Affecting Reserves Data

The estimation of reserves requires significant judgement and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecasts, prices and economic conditions. All of the Company's reserves are evaluated by Ryder Scott, an independent engineering firm. As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves, the accuracy of the reserve estimate improves.

Certain information regarding the Company set forth in this report, including management's assessment of the Company's future plans and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks that could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans; risks associated with the uncertainty of reserve estimates; health and safety risk; and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Company faces in this industry. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, and if any of them do, what benefits the Company may derive therefrom. The reader is cautioned not to place undue reliance on this forward-looking information.

The Company anticipates that any future exploration and development costs associated with its reserves will be financed through combinations of internally generated cashflow, debt and/or equity financing.

Information Concerning Abandonment and Reclamation Costs

The estimated abandonment, decommissioning and reclamation ("**ADR**") costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties. These costs are based on discussions with COPL's engineering personnel who, in turn, evaluated information provided by field and technical personnel with experience in the oil and gas basins in which the company operates. All future ADR costs are deducted in determining future net revenues. The ADR costs for all evaluated properties included in the Ryder Scott Reserve Report have been included in the tables below.

Table A-7:

FUTURE ABANDONMENT AND RECLAMATION COSTS AS AT DECEMBER 31, 2021 (Forecast Prices and Costs)		
Year	**Total Proved (US$MM)**	**Proved plus probable (US$MM)**
Undiscounted		
2022	-	-
2023	-	-
2024	-	-
For three years	-	-
remainder	18.8	27.2
Total	18.8	27.2

Note:

(1) Costs reflect well abandonments for entities forecast in the reserve report, plus ADR costs for non-reserve wells and facilities.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the Proved and Probable reserves.

Table A-8:

FUTURE DEVELOPMENT COSTS AS AT DECEMBER 31, 2021 (Forecast Prices and Costs)		
Year	**Total Proved (US$MM)**	**Proved plus probable (US$MM)**
Undiscounted		
2022	23.1	24.2
2023	14.5	24.7
2024	20.1	23.3
2025	12.0	16.8
2026	29.5	38.2
remainder	35.4	145.2
Total undiscounted	134.6	272.4
Total discounted @ 10% per year	90.7	168.1

The Company's current cash balance, internally-generated cash flow and future debt and equity placements could allow the Company to complete the development costs specified above. It is anticipated that the cost arising from debt that may be placed to fund future development activities will reflect rates for asset-based lending prevailing in Canada, the UK and the US. The effect of the costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

There can be no guarantee that funds will be available or that the Company will allocate funding to develop all of the reserves attributed in the 2021 Ryder Scott Report. Failure to develop those reserves would have a negative impact on future production and funds from operations.

Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Company held a working interest as at December 31, 2021:

Table A-9:

2021 PRODUCING AND NON-PRODUCING WELLS										
	Producing Crude Oil Wells		Non-producing Crude Oil Wells		Producing Natural Gas Wells		Non-producing Natural Gas Wells		Total Wells	
Area	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Wyoming	41	25.9	14	9.8	-	-	-	-	55	35.7

Note:

(1) Excludes injection wells (8 gross, 4.6 net) and a water disposal well (1 gross, 0.6 net).

Properties with no Attributed Reserves

Suspended wells with no reserves assigned were assigned ADR costs in accordance with expected costs for this activity. These costs are captured in the values presented in Table A-7.

Significant Factors or Uncertainties Relevant to Properties with no Attributed Reserves

No additional liabilities were forecast in this report in addition to those scheduled in Table A-7. It is more than likely that for the next three years, there will be no requirements to abandon wells in either of the two Wyoming fields.

Forward Contracts

The Company did not include its outstanding forward commodity contracts in the 2021 Ryder Scott Report.

Tax Horizon

Based on after-tax economic forecasts in the 2021 Ryder Scott Report, income taxes begin to be payable by the Corporation in 2028, using Proved Developed Producing reserves.

For a discussion of COPL's overall tax status, please see COPL's audited consolidated comparative financial statements for the year ended December 31, 2021 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

Costs Incurred

The following table summarizes the Company's capital expenditures incurred during the year ended December 31, 2021:

Table A-10:

2021 ACQUISITION, EXPLORATION AND DEVELOPMENT COSTS ($USMM)					
Area	**Property Acquisition Costs**	**Proved Properties**	**Unproved Properties**	**Exploration Costs**	**Development Costs**
Wyoming	49.1	1.4	-	3.3	17.5

Note:

(1) COPL acquired the Wyoming assets with an effective date of December 1, 2020. During December 2020, an initial US$5.0 million deposit was made as part of the overall US$54.1 million acquisition cost. The remainder of the acquisition cost was paid in the first quarter of 2021. Development costs are primarily the capitalized purchase costs of gas and liquids for the BFU miscible flood requirements, but also includes the 4 recompletions operations in CCU. Exploration costs relate to a discovery well drilled in the BFDU.

Exploration and Development Activities

The following table summarizes the Company's drilling results. The Company drilled one exploration well in late 2021 at 14-30VF. The well targeted the deeper Frontier and Dakota formations. Based on the results of 14-30VF discovery well, additional drilling in the BFU, BFDU and CCU areas is expected to commence in the late 2022 and continue through 2023 and beyond.

Table A-11:

2021 EXPLORATION AND DEVELOPMENT ACTIVITIES						
	Exploratory Wells		**Development Wells**		**Total Wells**	
Type	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Oil	1	1.0	-	-	1	1.0
Gas	-	-	-	-	-	-
Service	-	-	-	-	-	-
Stratigraphic	-	-	-	-	-	-
Dry holes	-	-	-	-	-	-
Total wells	1	1.0	-	-	1	1.0
Success rate	100%	100%	-	-	100%	100%
Average working interest		100%	-	-		100%

The development activities planned for Wyoming for 2022 principally targets a continuation of the development of the Shannon pool in the BFU. Nine wells are planned for 2022 and 10 further wells are expected for 2023. Development activities beyond 2023 will depend on the success of the 2022 and 2023 drilling results. There is considered to still be significant potential around the edges of the BFU.

Production Estimates

The following table is a summary of the gross (prior to royalties) volume of the Company's estimated production for 2022, which is reflected in the estimate of future net revenue in the 2021 Ryder Scott Report based on forecast prices and costs.

Table A-12:

2022 ESTIMATED PRODUCTION				
Reserves Category (1)	**Light / Medium Oil (Mbbl)**	**Natural Gas (Mmcf)**	**Natural Gas Liquids (Mbbl)**	**Total (Mboe) (2)**
Total				
Gross proved (3)	541.6	-	-	541.6
Gross proved plus probable (3)	623.9	-	-	623.9

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(2) See information related to the boe conversion ratio in abbreviations.
(3) The BFU field accounts for more than 20% of total production and is estimated to be 498.2 Mbbl for Gross Proved reserves and 577.2 Mbbl for Gross Proved plus Probable reserves.

Production History and Per Unit Results

Average Daily Production by Product Type

The following table sets out, by product type, COPL's average gross daily production volumes for each quarter of the year ended December 31, 2021.

Table A-13:

2021 QUARTERLY AND ANNUAL AVERAGE GROSS DAILY PRODUCTION HISTORY					
	Three months ended				**Year ended**
Product Type	**March 31, 2021 (3)**	**June 30, 2021**	**September 30, 2021**	**December 31, 2021**	**December 31, 2021 (4)**
Total					
Light and medium oil (bbls/d)	743	799	1,077	1,083	927
Natural gas (mcf/d) (1)	-	-	-	-	-
Total (boe/d) (2)	743	799	1,077	1,083	927

Notes:

(1) All produced natural gas is reinjected for the miscible flood recovery scheme in the BFU and not sold and NGL production is not measured separately.
(2) See information related to the boe conversion ratio in abbreviations.
(3) As the acquisition of the Wyoming assets was effective December 1, 2020 the production for the quarter ended March 31, 2021 represents 90 days even though COPL did not close the acquisition until March 16, 2021.
(4) The BFU is considered an important field and had average annual gross daily production of 873 bbls/d.

Operating Netbacks

The following table sets forth, by product type, COPL's prices received, royalties paid, production taxes and operating costs incurred and the resulting operating netback on a per unit of volume basis, for each quarter of the year ended December 31, 2021.

LIGHT AND MEDIUM OIL 2021 QUARTERLY OPERATING NETBACK HISTORY					
	Three months ended				Year ended
US$/bbl	March 31, 2021 (1)	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2021
Realized price	53.89	62.82	67.22	73.91	65.60
Royalty expenses	(15.02)	(13.94)	(14.03)	(16.01)	(14.75)
Production taxes	(4.86)	(6.06)	(6.65)	(7.39)	(6.38)
Operating expenses, net of recoveries	(8.36)	(9.97)	(24.00)	(9.30)	(14.11)
Operating netback	25.65	32.85	22.54	41.21	30.36

Notes:

(1) As the acquisition of the Wyoming assets was effective December 1, 2020 the production for the quarter ended March 31, 2021 represents 90 days even though COPL did not close the acquisition until March 16, 2021.

(2) There are no operating netbacks for natural gas as is reinjected for the miscible flood recovery scheme in the BFU and not sold and NGL production is not measured separately.

APPENDIX B
FORM 51-101F2

REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR
RYDER SCOTT COMPANY-CANADA

To The Board of Directors of Canadian Overseas Petroleum Limited (the "**Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2021. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2021, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to prove plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2021, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (USD M$)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2021	United States	$0	$257,560	$0	$257,860

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:
Ryder Scott Company-Canada, Calgary, Alberta, Canada

Execution Date: Dated as of the 2nd day of March, 2022

Signed by: *'Original Signed by'*

David P. Haugen, P.Eng.
Senior Vice President

APPENDIX C
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of COPL are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data and includes, if disclosed in the statement required by item 1 of section 2.1 of NI 51-101, other information such as proven and probable reserves data.

An independent qualified reserves evaluator has evaluated the Company's proven and probable reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has

a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
c) reviewed the proven and probable reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

a) the content and filing with securities regulatory authorities of Form 51-101F1 containing proven and probable reserves data and other oil and gas information;
b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
c) the content and filing of this report.

Because the proven and probable reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

(signed) "*John Cowan*"
Director (Chair of Reserve Committee)

(signed) "*Harald H. Ludwig*"
Director

(signed) "*Arthur Millholland*"
Director and Chief Executive Officer

(signed) "*Rod Christensen*"
Vice-President, Exploration and Exploitation

March 31, 2022

APPENDIX D
AUDIT COMMITTEE CHARTER

1. PURPOSE

The Audit Committee (the "**Audit Committee**") of Canadian Overseas Petroleum Limited ("**COPL**") is a committee of the Board of Directors (the "**Board**") with the responsibility under the governing legislation of COPL to review the financial statements, accounting policies and reporting procedures of COPL.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by COPL to any governmental body or the public, the systems of internal controls of COPL regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of COPL generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of COPL.

The primary duties and responsibilities of the Audit Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of COPL.
- Monitor the independence and performance of the auditor of COPL (the "**Auditor**") and the internal audit function of COPL.
- To communicate directly with the internal and external auditors and provide an open avenue of communication among the Auditor, financial and senior management and the Board.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

2. COMPOSITION

- The Audit Committee shall be comprised of three or more directors as determined by the Board. The composition of the Audit Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of COPL are listed.
- All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices, and be "financially literate" in accordance with applicable laws and all requirements of the stock exchanges on which shares of COPL are listed or become financially literate within a reasonable period of time following his or her appointment.
- Members of the Audit Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Audit Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Audit Committee.
- The members of the Audit Committee shall be entitled to receive such remuneration for acting as members of the Audit Committee as the Board may from time to time determine.
- Any person with a past affiliation with COPL as an officer or auditor is subject to a three year "cooling-off" period, meaning they may not be a member of the Audit Committee during that period.

3. MEETINGS

- The Audit Committee may appoint one of its members to act as Chairman of the Audit Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Audit Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Audit Committee except at a meeting at which a quorum of the Audit Committee is present or by a consent resolution in writing signed by all members of the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum, provided that if the number of members of the Audit Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- The Audit Committee will meet as many times as is necessary to carry out its responsibilities, but at least quarterly to review the financial statements of COPL. The Audit Committee will meet with management and the Auditor in separate executive sessions to discuss any matters that the Audit Committee or these parties believe should be discussed privately.
- The time at which, and the place where, the meetings of the Audit Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the By-Laws of COPL or otherwise determined by resolution of the Board.
- The Audit Committee may invite to, or require the attendance at, any meeting of the Audit Committee, such officers and employees of COPL, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities.
- Subject to the provisions of the governing legislation of COPL and applicable regulations the Chairman of the Audit Committee may exercise the powers of the Audit Committee in between meetings of the Audit Committee. In such event, the Chairman shall immediately report to the members of the Audit Committee and the actions or decisions taken in the name of the Audit Committee shall be recorded in the proceedings of the Audit Committee.

4. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of COPL any revisions or updates to this Charter. This review should be done at least annually.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements and accompanying MD&A, and the related press releases of COPL and report on them to the Board.
- Satisfy itself, on behalf of the Board, that the unaudited quarterly financial statements and annual audited financial statements of COPL are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board, that the information contained in the quarterly financial statements of COPL, annual report to shareholders and similar documentation does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of COPL submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve any related party transactions.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of COPL; (ii) to discuss such accounts and records and any matters relating to the financial position of COPL with the officers and auditors of COPL and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Audit Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Audit Committee.
- Permit the Board to refer to the Audit Committee such matters and questions relating to the financial position of COPL and its affiliates or the reporting related to it as the Board may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of COPL upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Audit Committee.
- Act as the Auditor's channel of direct communication to COPL. In this regard, the Audit Committee shall, among other things, receive all reports from the Auditor of COPL, including timely reports of:
  (a) all critical accounting policies and practices to be used;
  (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of COPL, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of COPL; and
  (c) other material written communications between the Auditor and the management of COPL, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing

bodies. In furtherance of the foregoing, the Audit Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and COPL, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Audit Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Audit Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.

- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Audit Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Audit Committee.
- Satisfy itself, on behalf of the Board, that any matter which the Auditor wishes to bring to the attention of the Board has been addressed and that there are no "unresolved differences" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of COPL to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of COPL.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of COPL and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board, that COPL has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of COPL and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of COPL, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of COPL and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by COPL regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of COPL as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board, that all material statutory deductions have been withheld by COPL and remitted to the appropriate authorities.
- Without limiting its rights to engage independent counsel and other advisors as it determines necessary to carry out its duties generally, review, with the principal legal external counsel of COPL, any legal matter that could have a significant impact on the financial statements of COPL.
- Satisfy itself, on behalf of the Board, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the Articles of COPL and governing law, as the Audit Committee or the Board deem necessary or appropriate.
- The Audit Committee must review and approve COPL's hiring policies regarding partners, employees and former partners or employees of the present or former external auditor of COPL.