



2021 Financial Results and Operations Update

London, United Kingdom; Calgary, Canada: April 1, 2022 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration, production and development company with production and development operations focused in Converse and Natrona Counties, Wyoming, USA, is pleased to announce financial results for the fourth quarter 2021 and for the year ending December 31, 2021.

This has been a year of major positive change for COPL.

At the start of the financial year COPL completed the acquisition of Atomic Oil & Gas which has been transformative for the Company. COPL now operates three assets in the Powder River Basin in Wyoming which have a 40+ year reserve life and inclining oil production from gas miscible flood, with facilities built and commissioned in 2019. The assets are:

- Barron Flats Unit: (58% Working Interest)
- Cole Creek: (67% WI)
- Barron Flats Federal (Deep) Unit (“BFFDU”): (56% WI)

At the time the transaction completed the assets produced 1,100 barrels of light oil. After the implementation of a works programme by COPL, the asset has since then far exceeded original expectations and current production (gross) of approximately 1,900 barrels a day is restricted due to ongoing facility constraints. The asset has identified 2P reserves of approximately 26 million barrels (net) of light oil, before the payment of royalties.

Of the significant acreage acquired in the Wyoming asset, only a small part is currently in production. An exploration programme is underway which has already identified:

- In January 2022, COPL confirmed a major discovery with an estimated total reservoir volume of 1.5-1.9 billion barrels of Oil in Place (“OIP”), of which 1.2 - 1.6 billion barrels of OIP underlays COPL lands.
- This highlights the potential for the Wyoming asset to generate long-term production on a scale many times greater than COPL’s original expectations.
- The Frontier element of the find covers approximately 61 sq. miles, with 90% of the defined resource on the Company’s lands.
 - The Company intends to commence initial delineation of the discovery later this year with horizontal wells from 16 drilling locations, for which permitting is underway.



- COPL's operating affiliate, Southwestern Production Corp, is in the process of securing a drilling rig for the delineation drilling program and the planned drilling program of 8 additional production wells and 1 injection well at its producing Barron Flats Shannon Field.

Fourth Quarter 2021 Financial Highlights:

- Net crude oil sales before royalties averaged 1,094 bbls/d as compared to 1,071 bbls/d in the third quarter of 2021, which has been limited due to facility constraints.
- Petroleum sales, net of royalties were \$5.8 million offset by a \$1.4 million realized loss on crude oil hedge contracts as compared to \$5.2 million offset by a \$0.6 million realized loss on crude oil hedge contracts in the third quarter of 2021.
- Realized a gain of \$1.6 million on butane hedge contracts as compared to a gain of \$1.1 million in the third quarter of 2021, with respect to the miscible flood injection program.
- The operating netback was \$43.97/bbl, which included a \$2.76/bbl net realized gain on crude oil and butane commodities contracts as compared to \$26.85/bbl, which included a \$4.31/bbl realized loss on crude oil and butane commodities contracts in the third quarter of 2021.

2021 Financial Highlights:

- Net crude oil sales before royalties averaged 972 bbls/d which has been limited due to facility constraints.
- Petroleum sales, net of royalties were \$15.0 million offset by a \$2.3 million realized loss on crude oil hedge contracts.
- Realized a gain of \$2.8 million on butane hedge contracts with respect to the miscible flood injection program.
- The operating netback was \$33.10/bbl, which included a \$1.92/bbl net realized gain on crude oil and butane commodities contracts.

COPL's Objectives for 2022:

- Complete the consolidation of available interests in the Wyoming assets.
- Re-finance COPL America Inc's credit facility to reduce the Company's cost of capital.
- Optimize and increase oil production at the operated Barron Flats Shannon Unit miscible flood.
- Commence Phase 1 of the delineation of the Barron Flats Deep Oil discovery.
- Maintain the Company's ESG operating credentials.

Arthur Millholland, President & CEO, commented: "We delivered on our 2021 objectives and with the recent discovery COPL is very well placed to fully capitalize on the opportunity it has. This has been a transformative year and we look to the future with renewed confidence."



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The financial results and associated annual regulatory filing documents, including the Financial Statements, Management's Discussion and Analysis, and the Annual Information Form which includes the Statement of Reserves Data and Other Oil and Gas Information (National Instrument 51-101 Forms 51-101F1, 51-101F2, 51-101F3), for the year ending December 31, 2021, can be viewed under the Company's name at www.sedar.com or at the Company's website at www.canoverseas.com.

About the Company:

COPL is an international oil and gas exploration, development and production company actively pursuing opportunities in the United States with operations in Converse and Natrona Counties Wyoming, and in sub-Saharan Africa through its ShoreCan joint venture company in Nigeria, and independently in other countries.

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The Common Shares are listed under the symbol "XOP" on the CSE and under the symbol "COPL" on the London Stock Exchange.

This news release contains forward-looking statements. The use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for operations, delays or changes in plans with respect to exploration or development projects or capital expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since the Company can give no assurance that they will prove to be correct since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Canadian Overseas



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Petroleum Ltd. For example, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, cost overruns, health and safety issues, political and environmental risks, commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry could cause actual results to vary materially from those expressed or implied by the forward-looking information. Forward-looking statements contained in this news release are made as of the date hereof and Canadian Overseas Petroleum undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.



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