



Market Clarification

London, United Kingdom; Calgary, Canada: April 6, 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, wishes to reiterate its objectives for the 2022 year and address unfounded market rumours, through disinformation posted on social media and internet chat forums, with respect to its annual filings at December 31, 2021 (“Annual Filings”) which are available on the Company’s [website](#) and on www.sedar.com:

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 for which the Company is working closely with its bankers and advisors.
- 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.

2021 Annual Filings:

Subsequent to December 31, 2021, COPL’s wholly owned indirect United States subsidiary (the “Borrower”) entered into a waiver (the “Waiver”) dated March 31, 2022 from its lender (the “Lender”) with respect to past defaults determined by the Lender to the terms of the Borrower’s Senior Credit Facility dated March 16, 2021 (the “Facility”) which are detailed by the Company in its Annual Filings. The terms of the Waiver agreed by the Borrower and the Lender, with additional costs and conditions to the Facility, can be found in the Company’s Annual Filings.

The Company continues to be subject to the terms of the Facility, as at the date of the Waiver. The intention of the Waiver, and associated additional costs and conditions, was to waive the past defaults, and was to have the Waiver in advance and effective for the Company’s First Quarter 2022 Financial Statements as at March 31, 2022. The timing of receipt of the Waiver, received after its December 31, 2021 financial year end, thus caused the Annual Filings of the Company’s audited Financial Statements to contain an emphasis of the matter, and as a result its Facility was classified on the Company’s Balance Sheet as a current liability at the year ending December 31, 2021. As such, the Annual Filings were required to include disclosure surrounding liquidity



and going concern risk factors due to past defaults determined by the Lender at December 31, 2021, pre receipt of the Waiver, and such Note 14 of its 2021 Financial Statements should also be read by market participants as part of the Company's public record.

As a result of the timing of the receipt by the Borrower of the Waiver, the classification of the Company's Facility at the year-end December 31, 2021 as a current liability will be reviewed in accordance with IFRS accounting standards with consideration to the terms of the Waiver and the terms of the Facility before the filing of the Company's First Quarter 2022 ("Q1") Financial Statements. The Q1 Financial Statements are scheduled to be filed on www.sedar.com and the Company's website after the close of Canadian markets on Monday, May 16, 2022.

Cash:

As at December 31, 2021, COPL had cash and equivalents of \$7.8 million. Cash at the end of the period was impacted by the approximately \$3.2 million receivable for ongoing operations from Cuda Energy LLC currently in bankruptcy as indicated in the Company's Annual Filings.

Arthur Millholland, President & CEO, commented:

"I am making this statement to the markets as I am aware that we have a large number of private shareholders who may be influenced by certain groups or individuals with an agenda propagated by social media or other platforms to benefit themselves. I do though understand the disclosure with respect to financial accounts can be difficult to understand to some, but I am also well aware these disclosures can be easily manipulated by those who understand the inherent weaknesses of others in the market. I hope our clarification aids those stakeholders that have concerns resulting from the views and discussions on social media and internet chat forums. All stakeholders should know we have an experienced managerial, financial and technical team, and such the Company is more than confident in reiterating that we delivered on our 2021 objectives, and are well positioned to achieve our forthcoming plan in 2022. In addition, you should not discount our recent deep oil discovery which COPL will fully capitalize on as we are confident in our assessments. Again, 2021 has been a transformative year for the Company and we look to the future with renewed confidence. You will never hear this from "snake oil salesmen" dressed up as experts, commentators or prophets on our Company's business on social media or internet chat platforms due to their sole focus for their own nefarious personal gain."

Annual Filings for the Year Ending and As at December 31, 2021:



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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 (the "Annual Filings"), 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.

For further information, please contact:

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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



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



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