



Canadian Overseas Petroleum Update on Application to Flare Gas

London, United Kingdom; Calgary, Canada: September 14, 2022 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration, production and development company with operations focused in Wyoming, USA, is pleased to provide an update on its affiliate, Southwestern Production Corporation’s (Southwestern”) application to flare additional gas volumes at its Barron Flats Shannon Unit (“BFSU”) located in Converse County Wyoming.

Southwestern has made an application (the “Application”) to the Wyoming Oil and Gas Conservation Commission (“WOGCC”) to temporarily flare additional gas at its operated BFSU miscible flood project. The WOGCC Hearing on the Application (the “Hearing”) was scheduled for September 13, 2022. Southwestern has requested a continuance to the scheduled Hearing Docket in October in response to an objection to the Application filed shortly before the scheduled September Hearing. The objector is known to the Company as they hold a 0.1% working interest in the BFSU as well as ownership of the surface rights. It is Southwestern’s preference to have an uncontested Hearing. As such, it is in discussions with the objector regarding their concerns and conditions to withdraw the objection, which the Company feels the majority of these can reasonably be met.

COPL has previously disclosed the BFSU miscible flood is performing beyond its expectations, which is also outlined in the Application. The issues facing the Company are unexpected very high pressures on certain producing wells. These high pressures have caused safety issues during work overs, at well site production facilities and with the current gas gathering system in addition to restricting oil production. Temporary gas flaring at some or all of these wells will mitigate these issues until a field wide solution is engineered and implemented. Gas production from one of these wells has recently been tied directly into the gas plant to reduce the load on the gas gathering system. Two additional wells will also be tied directly into the gas plant after recent receipt of direct right of way consent from the objector. Once completed these actions will mitigate the high-pressure effects on three of the current 5 wells with the issue, and current flared gas volumes will also be reduced.

As the miscible bank continues to move across the field, certain wells will respond as simulated but some are more than likely to respond similarly to the current wells causing the issues at hand. Thus, the Company requires flexibility to operate with safety being paramount under ongoing “Good Oilfield Practices”.



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Arthur Millholland, President & CEO, commented:

“While the delay in the Hearing is unfortunate, the Company’s Application is based on extensive and sound engineering which we look forward to presenting to the WOGCC in October. Flaring gas is something we do not do lightly as we own the enriched gas flared as it was purchased for the miscible flood. In addition, we are seeing positive responses to our wax treatment program in the field and I look forward to updating the market with results once we see some stability. We also continue to be focused on our 2022 objectives as laid out earlier this year.”

Southwestern’s Application and the Objection to the Application can be found on the WOGCC website: <https://wogcc.wyo.gov/> .

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 County, Wyoming, and in sub-Saharan Africa through its ShoreCan joint venture company in Nigeria, and independently in other countries.

The Company’s Wyoming operations are one of the most environmentally responsible with minimal gas flaring and methane emissions combined with electricity sourced from a neighbouring wind farm to power production facilities.

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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 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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