

Canadian Overseas Petroleum Limited Secures Capital Investment

Equity Placing for £2,000,000 at a Placing Price 0.07p and Equity Sharing Agreement. Settlement of Director Loan by Way of Shares.

Calgary, Canada, April 30, 2020 - Canadian Overseas Petroleum Limited ("COPL" or the "Company") (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on sub-Saharan Africa, today announces it has completed a placing for up to £2,000,000 with Yorkville Advisors Global ("YA") and Riverfort Global Opportunities PCC ("RGO" and collectively, the "Investors") at a placing price of 0.07p per share. The Company has also entered into an Equity Sharing Agreement with the parties as detailed below. These funds will cover general working capital and enable the Company to continue focusing on its Nigerian OPL 226 project.

The benefits of this transaction include:

- The securing of this equity capital despite the uncertain market environment underpins COPL's confidence that it can successfully execute its business plan.
- It will allow the Company to attract additional capital going forward due to the knowledge it has sufficient funding to navigate these unprecedented market conditions.
- It allows the Company to preserve its interest in its prime Nigerian asset OPL 226, which is an outstanding conventional light oil development project.
- The structure of the transaction allows for orderly and measured dilution over twenty-four (24) months.
- As part of the transaction, CEO Arthur Millholland, has agreed to defer the repayment of his previously disclosed loan to the Company until December 31, 2020 or convert it into COPL Shares at the reference price.

Arthur Millholland, President and CEO, commented: "To have secured this funding, especially during these very challenging times, reflects the Company's prospects and the high quality of its principle asset. We now have the ability to press on with discussions with relevant stakeholders and accelerate efforts to deliver the clear potential of OPL 226 by the end of 2020."

RiverFort Equity Sharing Facility

- **Up to £2m Facility.** The placing consists of an upfront tranche of £725,000 in an equity placing along with an equity sharing agreement with an 8 month term (collectively, the "Facility"). The Facility is renewable, at COPL's option, at the end of the first 8 month term, and again 16 months following the initial tranche. Each subsequent tranche under the Facility will have a term of up to 8 months each and the gross amount of shares subscribed at each tranche will be calculated based on a maximum shareholding of up to 20% of COPL's issued share capital at the beginning of the next term. The 2nd and 3rd tranches will be structured on the same terms as the initial tranche and the share subscription will be priced based on COPL's LSE market price at the end of the prior term. Up to £300,000 will be advanced under the first tranche of the Facility based on equity raising thresholds.

The gross proceeds of the placing will be pledged by the Company pursuant to the Equity Sharing Agreement with the Investors. The Equity Sharing Agreement, details of which are set out below, entitles the Company to receive back those proceeds on a pro rata monthly basis over a period of 8 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time.

- **Subscription Price:** The initial tranche subscription price for Investors is £0.0007 per share.

- **Benchmark Price:** The Benchmark Price for the initial tranche is £0.00084 per share (20% Premium to the Subscription Price) and for each subsequent tranche, the Benchmark Price will be a 20% premium to the applicable tranche subscription price..

- **Monthly Payments:** At the end of each calendar month the Investors shall pay to the Company the Monthly Base Settlement Amount, subject to adjustment as further described, as follows:

- If the Market Price is greater than the Benchmark Price, the Investors will pay the Company an additional amount equal to the Applicable Share Amount X (Market Price – Benchmark Price) x 50%
- If the Market Price is less than the Benchmark Price, then the Company will pay the Investors (by a reduction to the Monthly Base Settlement Amount) an amount equal to the Applicable Share Amount X (Benchmark Price – Market Price)

Where the “Market Price” shall be equal to the average of the 5 lowest daily VWAP of the Company’s ordinary shares for the applicable calendar month, “Monthly Base Settlement Amount” shall be determined by dividing the subscription amount for such tranche divided by number of monthly settlement periods for the tranche, and the “Applicable Share Amount” shall be determined by dividing the total placing shares for each tranche by the number of monthly settlement periods.

- **Short Sale Restrictions:** The Investors covenant not to hold a net short position in company’s shares over the term of facility.

- **Max Shareholding:** The Investors will always hold less than 20% of COPL’s issue share capital.

- **Facility Fee:** 5% paid in COPL Shares. 1.5% Facility standby fee payable if COPL does not elect to proceed with the 2nd or 3rd eight (8) month tranches under the Facility.

- **Closing:** expected approximately 1 week after the publication of the Prospectus for all share issuances.

The Company’s joint venture affiliate Shoreline Canadian Overseas Petroleum Development Corporation will respond to the previously announced lawsuit filed by Essar Exploration and Production Mauritius once served on it’s offices in Bermuda. Discussions with strategic investors as well as global service providers to secure financing and for the provision of services for the early production scheme and other project financing costs will recommence once groups are able due to restrictions caused by the global Covid-19 pandemic.

The Company's key asset is OPL 226 offshore Nigeria held by its Nigerian affiliate. It has plans to drill the first appraisal well at OPL 226 during 2020, subject to financing and regulatory approvals, and place it in production through an Extended Well Test ("EWT") utilising an Early Production System ("EPS"). This is intended to be followed by the drilling of two to three additional similar wells on the prolific NOA Structure. Production at a forecast rate of 6-10,000 bpd per well is anticipated. This phase of the project would precede a full field development plan, to be implemented following OML conversion.

About the Company:

The Company is actively pursuing opportunities in Nigeria and sub-Saharan Africa in partnership with Shoreline Energy International Limited ("Shoreline") as part of its strategy to generate stable cash flow from secure offshore and onshore assets. The Company and Shoreline, through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan"), have acquired 80% of the share capital and have taken over the management of Essar Exploration and Production Limited (Nigeria) ("Nigerian Affiliate" or the "Affiliate"). The Company's Nigerian Affiliate has applied to the concessionaire NNPC for formal consent to the change in control of the Nigerian Affiliate. The Affiliate holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. Drilling of the first appraisal well is planned to commence in 2020. ShoreCan is continuing building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and has been indicatively awarded an exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

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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 continued 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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