



## Canadian Overseas Petroleum Acquisition of Atomic Oil & Gas LLC

- **Game-changing acquisition for COPL**
  - **31.1 million Barrel of Oil Equivalent (“BOE”) of Proved and Probable Reserves**
    - **Two operated oil fields in Wyoming, USA at start of their 40+ year life**
  - **ROI over 50% with \$2.18/bbl acquisition cost vs a value of \$7.52/bbl at NPV (10%)**

**Calgary, Canada; London, United Kingdom; December 16, 2020** - Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company, today announces that it has agreed to acquire Atomic Oil & Gas LLC (“Atomic”) for a consideration of US\$54 million consisting of assumed debt, cash and shares. This strategic acquisition would represent a step change in the capacity and revenue generating opportunities open to the Company. COPL expects to complete the acquisition by January 31, 2021, with a long stop date in the agreement of 90 days from execution. The effective date of the transaction is December 1, 2020.

### Atomic Details

Atomic is a closely-held private oil and gas company incorporated under the laws of the State of Colorado. Atomic’s assets are located in Powder River Basin in the State of Wyoming, USA where it holds operated interests in 52,258 acres (gross) of contiguous leasehold. There are two oil production Units within the lease block: the Barron Flats Shannon Miscible Flood Unit (57.7% WI) and the Cole Creek Unit (66.7%), as well as one unitized exploration area -the Barron Flats Federal Unit (deep). Atomic has two affiliates: The Southwestern Production Corp, the operating entity; and PipeCo, a midstream company holding the pipeline and facility assets.

### Simplistic breakdown of the staged US\$54m acquisition cost:

- Deposit (non-refundable): \$1 million
- Initial Debt-Financed Payment: \$8 million for 15% of Atomic’s Working Interest in **all** of its leasehold on or before December 31, 2020.
  - (Note: If the acquisition does not complete, the Company will retain this interest)
- Assumed Debt: \$26 million at closing
- Total Additional Debt and Cash: \$15 million at closing
- COPL Common Shares to Atomic Shareholder(s): \$4 million priced at closing

### The benefits of this acquisition include:

- Acquiring 31.1 mm Barrels of Oil Equivalent (“BOE”) (24.7 mm BOE net after royalties) of Proved and Probable Reserves (“2P”) (Ryder Scott Reserve Report dated 1<sup>st</sup> October 2020 of Atomic’s Oil and Gas Reserves (the “Ryder Scott Report”), a summary commencing on page 2 below).
- Two **operated** oil fields: the Barron Flats Shannon Unit (57.7% WI) and Cole Creek Unit (66.7% WI) located in the Powder River Basin in the State of Wyoming, USA:
  - Oil producing assets are at the **beginning** of their 40+ year life with **increasing** production to a future production plateau.
  - Current production rate of 1,400 bbls/d (gross) **rising** to 5,000 bbls/d (gross) in 2022 and c.7,000 bbls/d (gross) in 2026 (2P reserve case, Ryder Scott Report).
  - Produced crude oil is light (40°API) and sweet.



- **Barron Flats Shannon Unit (57.7% WI):** Natural Gas and Propane Miscible Flood commenced December 2019. Production increased from c. 200 bbls/d (gross) to **1400 bbls/d** (gross) from 2017 to Sept 2020 with a forecast 2P production rate plateau of **5000 bbls/d** (gross) in 2022 (Ryder Scott Report).
- **Cole Creek Unit (66.7% WI):** Current field limits defined by drilling, Miscible Flood to be commenced upon plateau of Barron Flats Shannon Unit production. Forecast production rate plateau of **c. 3,500 bbls/d** (gross) under the 2P reserves case (Ryder Scott Report) in 2026.
- Assets have new infrastructure and direct access to pipeline with **no** legacy abandonment or reclamation liabilities.
- State-of-the-art, **environmentally responsible** facilities with zero gas flaring, minimal methane emissions, with required electricity sourced from an adjacent wind farm:
  - Produced associated gas is reinjected into the reservoir along with the purchased natural gas and propane miscible flood injection stream.
- The opportunity to undertake this acquisition became available only as a result of the Covid-19 environment and the drop in oil prices during 2020.
- Acquisition has a **high** NPV asset at a price well **below** traditional metrics: Proved(P1) value of \$101.7mm (net of royalties); Proved + Probable(P2) value of \$185.8mm (net of royalties).
  - Note: a summary of the Ryder Scott Report in accordance with Canadian Oil and Gas Evaluation Handbook Guidelines (COGEH) is located within the press release.
- Acquisition represents a **high** ROI > 50%; \$2.18/bbl acquisition cost on P2 reserves vs a value of \$7.52/bbl at NPV10%. (net of royalties)
- COPL receives **material** leverage via the transaction.
- On completion the operative staff of Southwestern Production Corp will join the COPL team.

**Arthur Millholland, President and CEO, commented:** "This is a game-changing acquisition which will materially reposition COPL as a production company with assets that have a long-term lifecycle and rapid production opportunity. Oil production assets of this quality, having an incline curve rather than a decline curve, are rarely available for purchase. Circumstances surrounding the Covid-19 situation created this favourable opportunity for COPL. With this acquisition, in addition to the substantial upside potential already present in our Nigerian offshore project, the Company is now strategically well placed to deliver enhanced value and returns to shareholders."

#### Advisors

- M&A and Debt Advisor: Eight Capital; Calgary, Alberta, Canada
- Legal Advisors: McCarthy Tetrault; London, United Kingdom, Calgary, Alberta, Canada; Davis Graham & Stubbs LLP; Denver, Colorado

#### RYDER SCOTT EVALUATION OF THE INTERESTS OF ATOMIC OIL & GAS LLC IN THE STATE OF WYOMING, USA STATEMENT OF RESERVES DATA

Note: This Report is not a formal F-1 Report as required under NI51-101 Regulation. The Report is intended to summarize the Reserves Evaluation as prepared by Ryder Scott for the interests of Atomic Oil & Gas LLC in the State of Wyoming, USA.

#### Date of Statement

This statement of reserves data is based on the Ryder Scott Reserves Report dated November 30, 2020. The effective date of the report is October 1, 2020.



## 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 Atomic Oil & Gas LLC (Atomic) interests in the Barron Flats and Cole Creek assets in Wyoming, USA, as commissioned by Canadian Overseas Petroleum Ltd. (the "Corporation" or "COPL"). This file is based on the report as evaluated by Ryder Scott Petroleum Consultants ("Ryder Scott") effective as at October 1, 2020 "Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold Interests, Escalated Parameters as of October 1, 2020" for Canadian Overseas Petroleum Limited ("COPL"), dated November 30, 2020, (the "Reserves Report"). Ryder Scott is an independent qualified reserves evaluator and auditor.

The Reserves Report evaluated the reserves of Atomic Oil & Gas LLC (Atomic), an oil, natural gas and natural gas liquids producing company, in Wyoming, United States. The assets of Atomic evaluated in the Reserves Reports are a portion of the reserves of Atomic and the tables below show the reserves and discounted cashflow values for the company's interests in the State of Wyoming, USA, as represented to Ryder Scott.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to Atomic's reserves estimated by Ryder Scott represent the fair market value of those reserves. The recovery and reserve estimates of Atomic'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.

Certain information provided in this document are excerpts from a Ryder Scott Report (dated October 1, 2020) and provided here in summary form for your convenience. This information remains subject to the assumptions, limitations and conditions discussed in the full and complete report, including tables, charts and any appendices.

In preparing their reports, Ryder Scott relied upon certain factual information and data furnished by Atomic 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 Corporation 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 their 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 Summary.

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 Corporation's licenses.

The evaluations in the Reserves Reports reflect Ryder Scott's informed judgment 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 judgment 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 Ryder Scott's COPL Report as of October 1, 2020. Some of the numbers in the following tables may not appear to sum to the stated totals because of rounding in the source tables.

### Reserves Data – Breakdown of Reserves

**Table 1.1(1)a: SUMMARY OF CRUDE OIL, NATURAL GAS AND NATURAL GAS LIQUIDS RESERVES  
BASED ON FORECAST PRICES AND COSTS  
AS AT OCTOBER 1, 2020**

UNITED STATES	LIGHT/MEDIUM OIL		NATURAL GAS		NATURAL GAS LIQUID		BOE EQUIVALENTS <sup>(1)</sup>	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbbl)	(Mbbbl)	(MMscf)	(MMscf)	(Mbbbl)	(Mbbbl)	(MBOE)	(MBOE)
<b>RESERVES CATEGORY <sup>(2)</sup></b>								
<b>PROVED</b>								
Developed Producing	5,360.42	4,244.78	1,969	1,969	293.38	293.38	5,981.97	4,866.33
Developed Non-Producing	1112.41	875.11	211	211	31.47	31.47	1179.00	941.70
Undeveloped	6,578.09	5,137.65	2,604	2,238	387.91	333.20	7,400.12	5,843.91
<b>TOTAL PROVED</b>	<b>13,050.92</b>	<b>10,257.54</b>	<b>4,784</b>	<b>4,418</b>	<b>712.76</b>	<b>658.05</b>	<b>14,561.09</b>	<b>11,651.94</b>
<b>PROBABLE</b>	<b>14,801.47</b>	<b>11,575.02</b>	<b>5,384</b>	<b>4,637</b>	<b>802.32</b>	<b>690.69</b>	<b>16,501.14</b>	<b>13,038.46</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>27,852.39</b>	<b>21,832.56</b>	<b>10,168</b>	<b>9,055</b>	<b>1,515.07</b>	<b>1,348.74</b>	<b>31,062.23</b>	<b>24,690.40</b>

### Notes:

- (1) See information related to BOE conversion ratio (see page 13)
- (2) See definitions of "proved and "probable reserves (see page 7)
- (3) Gross volumes are company working interest volumes



## Reserves Data – Net Present Value of Future Net Revenue

**Table 1.1(2)a: SUMMARY OF NET PRESENT VALUES  
OF FUTURE NET REVENUE BASED ON FORECAST PRICES AND COSTS  
AS AT OCTOBER 1, 2020**

UNITED STATES											UNIT VALUE <sup>1</sup> BEFORE INCOME TAX DISCOUNTED AT 10%	
	BEFORE INCOME TAX (MM\$) <sup>2</sup>					AFTER INCOME TAX (MM\$) <sup>2</sup>						(\$/BOE) <sup>4</sup>
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%		
<b>RESERVES CATEGORY<sup>3</sup></b>												
<b>PROVED</b>												
Developed Producing	107.69	69.73	48.70	36.27	28.38						10.01	
Developed Non-Producing	24.60	15.27	10.28	7.40	5.60						10.91	
Undeveloped	139.22	74.18	42.78	25.45	15.02						7.32	
<b>TOTAL PROVED</b>	<b>271.51</b>	<b>159.17</b>	<b>101.75</b>	<b>69.12</b>	<b>49.00</b>						<b>8.73</b>	
<b>PROBABLE</b>	<b>369.00</b>	<b>166.70</b>	<b>84.01</b>	<b>44.71</b>	<b>23.97</b>						<b>6.44</b>	
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>640.51</b>	<b>325.87</b>	<b>185.77</b>	<b>113.83</b>	<b>72.97</b>						<b>7.52</b>	

**Notes:**

- (1) The unit values are based on net reserves
- (2) All values are presented in United States Dollars (USD)
- (3) See definitions of “proved” and “probable” reserves (see page 7)
- (4) See information related to BOE conversion ratio (see page 13)



**Table 1.1(3)a TOTAL FUTURE NET REVENUE (UNDISCOUNTED)  
AS AT OCTOBER 1, 2020  
FORECASTS PRICES AND COSTS**

UNITED STATES	REVENUE	ROYALTIES AND BURDENS	OPERATING COSTS	DEVELOPMENT COSTS <sup>4</sup>	ABANDONMENT AND RECLAMATION COSTS <sup>3</sup>	FUTURE NET REVENUE BEFORE INCOME TAXES	INCOME TAXES	FUTURE NET REVENUE AFTER INCOME TAXES
	(MM\$ <sup>(1)</sup> )	(MM\$ <sup>(2)</sup> )	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
<b>RESERVES CATEGORY<sup>3</sup></b>								
<b>PROVED</b>								
Developed Producing	339.15	99.49	73.95	54.87	3.15	107.69		
Developed Non-Producing	71.11	21.38	14.62	10.19	0.33	24.60		
Undeveloped	429.41	131.90	71.11	84.93	2.25	139.22		
<b>TOTAL PROVED</b>	<b>839.67</b>	<b>252.77</b>	<b>159.69</b>	<b>149.98</b>	<b>5.73</b>	<b>271.51</b>		
<b>PROBABLE</b>	<b>1,020.44</b>	<b>312.73</b>	<b>130.92</b>	<b>204.81</b>	<b>2.98</b>	<b>369.00</b>		
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>1,860.11</b>	<b>565.50</b>	<b>290.61</b>	<b>354.79</b>	<b>8.71</b>	<b>640.51</b>		

**Notes:**

- (1) All values are presented in United States Dollars (USD)
- (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.
- (4) Development costs include liquid purchases for miscible injection.

**Table 1.1(4) FUTURE NET REVENUE BY PRODUCT TYPE  
BASED ON FORECAST PRICES AND COSTS  
AS AT OCTOBER 1, 2020**



TOTAL			UNIT VALUE NET RESERVE BASIS
			(\$/MCFe FOR NATURAL GAS)
		FUTURE NET REVENUE BEFORE INCOME TAXES (DISCOUNTED AT 10% /YEAR)	(\$/BBL FOR CRUDE OIL AND NATURAL GAS LIQUIDS
	PRODUCTION GROUP	(MM\$)	(\$/BOE FOR TOTALS)
RESERVES CATEGORY <sup>(1)</sup>			
Proved	Light and Medium Crude Oil (including Solution Gas and Products)	106.697	9.47
	Conventional Natural Gas (Including Solution Gas and Products)	(4.954)	(2.04)
	Total	101.743	8.73
Proved + Probable	Light and Medium Crude Oil (including Solution Gas and Products)	197.408	8.00
	Conventional Natural Gas (Including Solution Gas and Products)	(11.4)	(980.86)
	Total	185.756	7.52

**Notes:**

- (1) See definitions of “proved” and “probable” reserves (see page 7)
- (2) See information related to BOE conversion ratio (see page 13)

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP  
BASED ON FORECAST PRICES AND COSTS  
AS AT OCTOBER 1, 2020**

**Notes:**

1. **“Gross Reserves”** are the Corporation’s working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation. **“Net Reserves”** are the Corporation’s working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation’s royalty interests in reserves.
2. **“Proved”** reserves are 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.
3. **“Probable”** 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.



4. **“Possible”** reserves are 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.
5. **“Developed”** reserves are 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.
6. **“Developed Producing”** reserves are 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.
7. **“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.
8. **“Undeveloped”** reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) 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.

## Part 2: Pricing Assumptions

The following tables detail the benchmark reference prices, for the Atomic assets in which Atomic operated as at October 1, 2020, reflected in the reserves data disclosed above under “Part 2 - Disclosure of Reserves Data”. 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.

The table below summarizes the “benchmark prices” at the price reference point and the 2020 realized prices used for the geographic area included in the Ryder Scott report. Values are represented in United States currency.

Geographic Area	Product	Average Benchmark Prices	Average Realized Prices
Wyoming	Crude Oil <sup>(1)</sup>	\$40.50/bbl	\$38.70/bbl
	Natural Gas <sup>(1)</sup>	\$ 2.21/Mcf	\$ 1.66/Mcf
	NGL Blend <sup>(1)</sup>	\$14.99/bbl	\$17.82/bbl

### Notes:

- (1) Prices originate in US dollars

Item 2.1 – No Constant Prices used for this evaluation

**Table 2.2: SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS  
FORECAST PRICES AND COSTS AS AT SEPTEMBER 30, 2020**

WYOMING, UNITED STATES USD				
Year	WTI @ Cushing	Mont Belvieu NGL	Nymex @ Henry	Colorado Interstate





	\$/bbl	\$/bbl	\$/MMBTU	\$/MMBTU
2020 (3 Month)	40.50	14.99	2.55	2.21
2021	44.50	16.47	2.75	2.39
2022	49.00	18.13	2.80	2.44
2023	54.00	19.98	2.80	2.44
2024	57.00	21.09	2.85	2.48
2025	58.50	21.65	2.95	2.58
2026	60.00	22.20	3.05	2.67
2027	61.00	22.57	3.25	2.85
2028	62.00	22.94	3.32	2.91
2029	63.50	23.50	3.38	2.97
2030	65.50	24.24	3.45	3.04
2031	67.00	24.79	3.52	3.10
2032	68.34	25.29	3.59	3.17
2033	69.71	25.79	3.66	3.23
2034	71.10	26.31	3.73	3.30
2035	72.52	26.83	3.81	3.37
2036	73.97	27.37	3.88	3.44
2037	75.45	27.92	3.96	3.51
2038	76.96	28.48	4.04	3.58

### Significant Factors or Uncertainties Affecting Reserves Data

The estimation of Reserves requires significant judgment 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 Corporation's estimates are based on current production forecasts, prices and economic conditions. All of the Corporation'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 Corporation 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 Corporation set forth in this report, including management's assessment of the Corporation'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 Corporation faces in this market. The Corporation'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 Corporation may derive therefrom. The reader is cautioned not to place undue reliance on this forward-looking information.

The Corporation 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. The Corporation does not have any hedges in place that have been disclosed to Ryder Scott.

### Part 3: 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 Atomic'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. The Corporation expects to incur zero ADR costs in 2020. All future abandonment and reclamation costs are deducted in determining Future Net Revenues. ADR costs for all evaluated properties included in the Ryder Scott Reserve Report have been included in the tables below.

**Table 3.2: FUTURE ABANDONMENT AND RECLAMATION COSTS**

Year	Total Proved Estimated Using Forecast Prices and Costs <sup>(1)</sup> (Undiscounted) (MM\$)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs <sup>(1)</sup> (Undiscounted) (MM\$)
2020	-	-
2021	0.14	0.14
2022	0.19	0.19
<b>Total for three years</b>	<b>0.33</b>	<b>0.33</b>
<b>Remainder</b>	<b>5.40</b>	<b>8.38</b>
<b>Total for all years</b>	<b>5.73</b>	<b>8.71</b>

**Notes:**

- (1) Costs reflect well abandonments for entities forecast in the reserve report, plus Abandonment, Decommissioning, and Reclamation (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 3.3: FUTURE DEVELOPMENT COSTS  
AS OF OCTOBER 1, 2020  
FORECAST PRICES AND COSTS**

Year	UNITED STATES	
	Proved Reserves MM\$	Proved plus Probable Reserves MM\$
2020	1.5	1.5
2021	23.6	40.4
2022	16.9	26.9
2023	24.3	41.1
2024	15.3	23.6
Remaining	68.3	221.4
Total (undiscounted)	150.0	354.8

The Corporation's current cash balance, internally-generated cash flow and future debt and equity placements could allow the Corporation 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 and the United States. The effect of the costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

### Other Oil and Gas Information

#### *Oil and Gas Properties and Wells*

The following table sets forth the number of wells in which the Corporation held a working interest as at October 1, 2020:

**Table 6.1a: United States – Wyoming <sup>(1)</sup>**

Wyoming	CRUDE OIL		NATURAL GAS	
	Gross	Net	Gross	Net
Producing	41	23.7	-	-
Non-Producing	1	0.6	-	-
Total	42	24.3	-	-

**Notes:**

(1) Excludes injection wells (7 gross, 4 net) and water disposal wells (1 gross, 0.6 net).

***Properties with no Attributed Reserves***

Suspended wells with no reserves assigned were assigned Abandonment, Decommissioning, and Reclamation (ADR) Costs in accordance with expected costs for this activity. These costs are captured in the values presented in Table 5.2.

***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 5.2.

***Forward Contracts***

The Corporation has no forward contracts pertaining to the evaluation that have been disclosed to Ryder Scott.

***Tax Horizon***

A Tax analysis was not prepared in accordance with the defined scope of this evaluation.

***Costs Incurred***

Ryder Scott has not scheduled any capital costs associated with this asset prior to the effective date of October 1, 2020.

***Exploration and Development Activities***

Ryder Scott has not scheduled any capital costs associated with this asset prior to the effective date of October 1, 2020.

***Production Estimates***

Ryder Scott has not prepared any 2020 Calendar-year production estimates associated with our scope of work on this evaluation.

***Production History and Per Unit Results***

Ryder Scott has not prepared any production history information associated with our scope of work on this evaluation.



## ABBREVIATIONS AND CONVERSION

CRUDE OIL AND NATURAL GAS		NATURAL GAS	
<b>bbl</b>	barrel	<b>Mscf</b>	thousand standard Cubic feet
<b>bbls</b>	barrels	<b>MMscf</b>	millions standard Cubic feet
<b>Mbbls</b>	thousands of barrels	<b>MMscf/d</b>	thousand standard Cubic feet per day
<b>MMbbls</b>	millions of barrels	<b>MMBTU</b>	million british thermal units
<b>MSTB</b>	1,000 stock tank barrels	<b>Bscf</b>	billion standard Cubic feet
<b>bbls/d</b>	barrels per day	<b>GJ</b>	gigajoule
<b>NGLs</b>	natural gas liquids		
<b>STB</b>	stock tank barrels of oil		
<b>STB/d</b>	stock tank barrels of oil per day		

## OTHER

<b>BOE</b>	Barrel of oil equivalent on the basis that 1 barrel of oil is equivalent to 6 Mscf of natural gas. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 barrel of oil for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.
<b>BOE/d</b>	Barrel of oil equivalent per day
<b>m<sup>3</sup></b>	Cubic meters

### For further information, please contact:

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**About Canadian Overseas Petroleum:**

The Company is actively pursuing opportunities in the United States through the acquisition of Atomic Oil and Gas LLC, and in sub-Saharan Africa. In Nigeria, in partnership with Shoreline Energy International Limited ("Shoreline") and through their jointly held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan"), COPL and Shoreline currently hold 80% of the share capital and have taken over the management of Essar Exploration and Production Limited (Nigeria) ("Nigerian Affiliate" or the "Affiliate"). On August 4, 2020, the Company announced that the shareholders of the Nigerian Affiliate had executed definitive agreements to resolve their longstanding disputes. Completion is ongoing, and when completed ShoreCan's shareholding in the Affiliate will change in accordance to the terms outlined in the Press Release. The Affiliate holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in OPL 226. In other ventures, ShoreCan 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.

**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.*

**Neither the CSE nor its regulation services provider accepts responsibility for the adequacy or accuracy of this release.**