



Canadian Overseas Petroleum Responds to Market Rumours Regarding Acquisition of Atomic Oil & Gas LLC

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 confirmed, in response to market rumours, that it does not anticipate any suspension in trading of its common shares as a result of its previously announced acquisition of Atomic Oil & Gas LLC ("Atomic").

The United Kingdom's Financial Conduct Authority ("FCA") has confirmed to COPL that, although the completion of the acquisition of Atomic will be regarded as a reverse takeover for the purposes of the Listing Rules, no suspension of trading in its common shares will be required until such time as the acquisition becomes unconditional ie completion. Further, no suspension will be necessary at all if COPL can file an approved prospectus with the FCA by such time reflecting the acquisition.

Having only recently filed an approved prospectus with the FCA and having already produced a current competent person report on Atomic's assets, the Company does not anticipate having any trouble filing an approved prospectus reflecting the acquisition of Atomic prior to or concurrent with the completion of the acquisition and therefore no suspension should be necessary.

The Company also confirmed today, in response to market rumours, that it is not considering any financing structure commonly referred to as an "equity sharing" arrangement in order to complete financing of the transaction.

For further information, please contact:

Mr. Arthur Millholland, President & CEO
Canadian Overseas Petroleum Limited
Tel: + 1 (403) 262 5441

Cathy Hume
CHF Investor Relations
Tel: +1 (416) 868 1079 ext. 231
Email: cathy@chfir.com

Charles Goodwin
Yellow Jersey PR Limited
Tel: +44 (0)77 4778 8221
Email: copl@yellowjerseypr.com

**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.