Canadian Overseas Petroleum Reports Q3 2021 Results and Operations Update

London, United Kingdom; Calgary, Canada: November 15, 2021 – 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 County, Wyoming, USA, announces its results as at and for the three months ending September 30, 2021 and operations update as of November 15, 2021.

Operating Highlights

- Net crude oil sales in the third quarter before royalties averaged 1,077 bbl./d as compared to 796 bbl./d in the second quarter of 2021.
- Miscible Flood performing ahead of expectations
- Supply of Natural Gas Liquids secured to end of Q1 2022 amid current tight supplies in the North American continental market
- Butane purchase hedges offset seasonal record high Butane prices
- Production facilities enhanced to allow high productivity wells to resume production
- Re-simulation of the Miscible Flood confirms performance beyond earlier expectations
- Oil discovery at the Barron Flats Federal (Deep) Unit confirmed
    - Completion operations for production underway on the Dakota sand
    - Large conventional light oil resource play in the Frontier sands indicated across the Company's leasehold

Barron Flats Shannon Unit (Miscible Flood)

The Barron Flats Shannon Unit ("BFSU") Miscible Flood continues to perform significantly ahead of expectations. Oil production is responding to gas injection volumes faster than predicted by previous reservoir simulations. Tight supply of Natural Gas Liquids ("NGL") due to high export demand in the North American continental market, and maintenance at the Company's midstream NGL (Propane/Butane) supplier, caused gas injection volumes to be reduced from late August to late October. As a result, injection volumes dropped from c. 10 MMCF/D to a low of c. 4 MMCF/D during this period. Due to the lower and weekly fluctuating injection volumes oil production during this period dropped from the August peak to the current approximately 2,000 bbl./d (gross). The Company has rectified the NGL supply issues, and as such the secured supply through the winter heating season to

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March 2022 should average 7.5 MMCF/D. Production in the BFSU was also impacted by restrictions in surface facilities from the increased volumes achieved in late August from certain wells. Additional surface equipment has been procured to reduce the high pressures of produced gas gathered for reinjection to the field, as these high gas pressures exceeded the design capacity of the gas gathering system. Supply Chain issues in the US market delayed the delivery of this equipment, with commissioning occurring this coming week. Once commissioned, production should increase back to the levels achieved at the end of August as a result of increased and stable gas injection volumes. Production levels should continue to increase from that point with stable forecast gas injection volumes.

The oil production responses observed from high and decreased gas injection volumes commencing on April 1st caused the Company to re-simulate the Miscible Flood scheme in October. The re-simulation by an independent specialist reservoir engineering firm has confirmed the BFSU Miscible Flood scheme is performing beyond expectations outlined in the previous simulation conducted by the Company in January of this year. The new simulation suggests the number of additional wells: production and injection wells required to achieve 90% peak production has been reduced from eighteen (18) to nine (9). This reduced number of wells will significantly reduce capital expenditures required in 2022 to achieve the forecast production response.

Barron Flats Federal (Deep) Unit Oil Discovery

The Company announced an oil discovery ("Discovery Well") on the Barron Flats Federal (Deep) Unit ("BFFDU") on August 31, 2021. The Company's working interest in the Discovery Well drilling spacing unit in reservoirs below the Shannon reservoir in the unitized BFSU is 100% until 400% of the capital expended in the well is recovered from production due to the non-participation of a working interest partner in the drilling operation.

The Company commenced evaluation of six (6) reservoir sands: the Lakota Fm (1), Dakota Fm (1) and Frontier Fm (4) in September. Evaluation of these Formations was delayed due to remedial cementing required to isolate and seal a shallow fresh water aquifer. Four remedial cementing operations were required to isolate this important fresh water source to industry best standards. All Formations with the exception of the Lakota were found to be oil bearing.

Currently the Dakota Fm, the deepest oil-bearing sand, is being completed for production with operations expected to be concluded later this coming week to early next. The Company's geoscience team is evaluating the extent (width and length) of the Dakota reservoir which appears to be an extension of a producing Dakota oil wells 1.5 miles to the south of the Discovery Well location, and a former producing Dakota well on the Company's lands 3.5 miles down dip to the east. To this end the Company is evaluating the purchase and reprocessing of an existing 3D seismic survey acquired by the original operator of the lease block to aid in the interpretation of the extent of the Dakota reservoir due to the limited deep well control on the Company's leasehold.

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The Company believes it has discovered a large conventional light oil resource play in the Frontier Fm sands (4 sands) underlying a good portion of its approximately 48,000-acre leasehold position. These four reservoir sands were damaged in the Discovery Well by significant drilling mud losses during drilling operations as well as cement invasion during casing operations. Due to these issues full evaluation at this time would have required hydraulic fracturing of each sand, which the Company believes is not cost ineffective at this time. Preliminary evaluation of deep well control to the west and east of the well location suggests the reservoir sands are present over a large area. Oil was recovered from a Frontier sand by drill stem test at a rate of 150 bbl./d from a well drilled in 1982 (discovery well for the Shannon Field) approximately 3.5 miles to the east of the Discovery Well location. This confirmed oil-bearing sand correlates to one of the oil-bearing sands up dip or structurally higher in the Discovery Well. The Company has commenced discussions with the regulator of the BFFDU on a delineation, exploitation and development strategy for the Frontier sands.

Currently, the Company has elected to keep the full results of the Discovery Well confidential for competitive reasons.

Arthur Millholland, President & CEO, commented:

"As I have indicated previously, our Wyoming assets continue to perform well beyond our initial expectations. Unfortunately, unexpected tight supplies of NGL's in the North American markets impacted our Miscible Flood injection plan in September and October. These tight supplies also caused the price of Butane to reach seasonal historic highs during this period. Fortunately, we have approximately 1,000,000 gallons/month of Butane purchases hedged at $0.91/gallon for 2021, relative to current spot prices of $1.61/gallon. Our Butane hedge for 2022 on similar monthly volumes drops to $0.76/gallon. As we expect the North American NGL market to remain tight through the winter heating season, our hedging program will have a very positive impact on the operating results of the Company for the balance of the year and for 2022."

Financial Highlights: Q3 2021 to September 30, 2021

- Net crude oil sales before royalties averaged 1,077 bbl./d as compared to 796 bbl./d in the second quarter of 2021. The change relates mainly to the success achieved with the Miscible Flood in the Barron Flats unit.
- Petroleum sales, net of royalties were $5.2 million offset by a $0.6 million realized loss on crude oil hedge contracts as compared to $3.4 million offset by a $0.3 million realized loss on crude oil hedge contracts in the second quarter of 2021.
- Realized a gain of $1.0 million on Butane hedge contracts as compared to a gain of $0.1 million in the second quarter of 2021.
- The operating netback was $26.70/bbl., which included a $4.29/bbl. net realized gain on crude oil and Butane commodities contracts as compared to $30.62/bbl., which included a $2.24/bbl. realized loss on crude oil and butane

commodities contracts in the second quarter of 2021. The decrease in the operating netback in the third quarter is due mainly to increased workover activity in the quarter.

The Q3 2021 results and associated annual regulatory filing documents, including the Financial Statements, Management's Discussion and Analysis, for the quarter ending September 30, 2021, 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 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.