CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum
Publication of Prospectus

Calgary, Canada, August 23, 2018 - Canadian Overseas Petroleum Limited (the "**Company**") (TSXV: XOP) (LSE: COPL), an international oil and gas exploration and development company, is pleased to announce that, further to the announcement on August 17, 2018 with regard to the Common Share offering to raise gross proceeds of £3 million (US$ 3.8 million) (the "**Placing**"), pursuant to which the Company will issue 895,523,000 new common shares ("**Placing Shares**") at a price of 0.335 pence per Placing Share, the prospectus prepared in relation to the Placing has been approved by the UK's Financial Conduct Authority and has been published today. It will be available on the Company's website (http://www.canoverseas.com/) later today.

It is expected that admission to the standard listing segment of the Official List and to the London Stock Exchange plc will become effective and that dealings in the Placing Shares will commence at 8:00am (London time) on August31, 2018.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any sale of the Common Shares and/or Warrants in any jurisdiction in which such offer, solicitation or sale may be unlawful. The Common Shares and Warrants have not been and will not be registered under the 1933 Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act and applicable U.S. state securities laws.

Capitalised terms used in the Prospectus shall, unless the context provides otherwise, have the same meaning in this announcement.

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) ("Essar Nigeria"). ShoreCan has applied to the concessionaire NNPC for formal consent for the change in control of Essar Nigeria. Essar Nigeria 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 2018. ShoreCan continues building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and the Company and Shoreline have been awarded the PT-5b 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 TSX-V and under the symbol "COPL" on the London Stock Exchange.

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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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.