



Canadian Overseas Petroleum £3 million Common Share Offering

Calgary, Canada, August 17, 2018 - Canadian Overseas Petroleum Limited (the "**Company**") (TSXV: XOP) (LSE: COPL), an international oil and gas exploration and development company, is pleased to announce a 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.

Management and certain insiders of the Company plan to subscribe for new common shares in the Company at the Placing Price (the "**Subscription**"). An announcement pertaining to the Subscription will be released by the Company in due course.

Full details of the Placing will be included in the Prospectus to be filed with the UK Listing Authority (the "**UKLA**"), which is expected to be published prior to the end of August 2018.

Use of proceeds

As at 30 June 2018, the Company had consolidated cash balances of US\$1,736,000. The Company intends to use the net proceeds of the Placing to fund the Company's on-going general and administrative expenses. This principally covers a full technical team including geologists, a geophysicist, reservoir engineers, a drilling engineer and in-house Counsel, which are approximately US\$400,000 per month, as the Company seeks to progress its projects in West Africa.

Nigerian Development Project

The Company is continuing to progress the financing of its Nigerian development project and is responsible for 50% of the costs relating to Shoreline Canadian Overseas Petroleum Development Corporation's commitment to invest funds in the form of an interest-free shareholder loan to be used for its 80% owned Essar Nigeria operations. In particular, to cover the near term work programme obligations, including drilling one well under Phase-1 of the OPL 226 Production Sharing Contract. As previously announced the Company agreed to a project financing and offtake agreement term sheet, providing for a minimum US\$30 million to a maximum of US\$50 million Senior Secured Facility (the "**Facility**"). Once entered into, the Facility will provide funding for all production related expenditures following the drilling and testing of the initial production well to be drilled by Essar Nigeria on its 100% contracted interest in OPL 226.



The Placing is subject to customary conditions and the receipt of required regulatory approvals, including the approval of the London Stock Exchange plc (the "LSE") and the TSX Venture Exchange (the "TSX-V"). Application will be made for the Placing Shares to be admitted to the Official List and to trading on the Main Market, following approval of the Prospectus by the UKLA.

Mr. Arthur Millholland, President and CEO, commented: "The proceeds from the placing will be directed towards on-going general expenses, which covers our qualified technical team and in-house Counsel. In strengthening our balance sheet, we are able to continue to focus on securing a financing package for the highly prospective OPL 226 project offshore Nigeria. As previously announced we are in late stage discussions with an oil service group and we look forward to updating the market on this as due course."

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.



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