

FORM 7

MONTHLY PROGRESS REPORT – January 2024

Name of Listed Issuer: **CANADIAN OVERSEAS PETROLEUM LIMITED** (the “Issuer”).

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **2,656,603,131 as at January 31, 2024**

Date: **February 7, 2024**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer operates an oil and gas business in Wyoming, USA.

2. Provide a general overview and discussion of the activities of management.

Management focused on oil production at the Barron Flats Shannon Unit ("BFU"), and furthering the development of the large conventional oil discovery made in the Frontier sands at Cole Creek Unit.

Management continues working on refinancing its senior debt and obtaining additional financing for the Issuer's operations. Management is to provide a cash flow generative business plan, which shall include a sales process for the Company's assets, in accordance with a forbearance agreement with its senior lender. There can be no assurance that a sales process will be successful or that the issuer will be able to present a cash flow positive business plan, or that further financing will be forthcoming.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None to report.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None to report.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None to report.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None to report.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None to report.

8. Describe the acquisition of new customers or loss of customers.
None to report.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
None to report.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
None to report.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None to report.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
None to report.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
On January 11, 2024, the Issuer signed with its lead bondholder, a purchase agreement to obtain additional financing of gross proceeds of US\$2.5 million. Further to this agreement, the terms of outstanding Bonds and Bondholder Warrants are modified as follows, with other terms remaining unchanged:
- the conversion price of the bonds will be amended to £0.0015 (approx. US\$0.0019). The maturity date of the 2027 Bonds will be extended to 26 January 2028, and the maturity date of the 2028 Bonds will be extended to 26 January 2029;
 - The exercise price of the existing warrants will be amended to £0.0015 (approx. US\$0.0019) and the expiration date will be extended to 26 August 2028.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	305,598,679	January 4, 2024 - deemed price US\$0.0037295 per share	Share settlements of Conversion payment liabilities in respect of three converted 2028 (formerly 2027) Bonds and two converted 2029 (formerly 2028) Bonds.
Common shares	662,593,847	January 15, 2024 - £0.0015 (approx. US\$0.0019) per share	US\$1.3 million gross proceeds to be used to fund US operations and for general working capital.
Common shares	649,638,786	January 16, 2024 - £0.0015 (approx. US\$0.0019) per share	US\$1.2 million gross proceeds to be used to fund US operations and for general working capital.
Bondholders' Warrants	1,312,232,633	Exercise price of £0.0015 (approx. US\$0.0019), expiry date - August 26, 2028.	

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None to report.

16. Provide details of any changes in directors, officers or committee members.

On January 18, 2024, the Issuer announced the appointment of Mr. Peter Kravitz of Province Fiduciary Services as interim Chief Executive Officer and appointment of Mr. Mark Wall as a Non-Executive Director to replace Mr. Atul Gupta who has stepped down.

On January 30, 2024, Rod Christensen, VP, Exploration and Exploitation and Richard Mays, VP Business Development and General are no longer employed with the Issuer.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Since Russia's invasion of Ukraine in early 2022 and the recent conflict in the Middle East, there have been emerging global concerns over oil and natural gas supply, which has resulted in more volatile benchmark commodity prices. Additionally, these conflicts contribute to increased inflationary pressures on governments, businesses and communities with costs rising since 2021. In response to increasing inflation, central banks around the globe began increasing interest rates. These events and economic conditions remain evolving situations that have had, and may continue to have, a significant impact on the Company's business, results of operations, financial condition and the environment in which it operates. Due to the uncertainty surrounding the magnitude, duration and potential outcomes of the above noted factors, management cannot reasonably estimate the length or severity of these events and conditions, or the extent to which they will impact the Company long-term, but the impact may be material.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated February 7, 2024.

Ryan Gaffney
Name of Director or Senior
Officer

"Ryan Gaffney"
Signature

CFO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/D
Name of Issuer Canadian Overseas Petroleum Limited		January 31, 2024	24/02/7
Issuer Address 3200 – 715 5 th Ave SW			
City/Province/Postal Code Calgary, Alberta, Canada,T2P 2X6		Issuer Fax No. (403) 263 3251	Issuer Telephone No. (403) 262 5441
Contact Name Ryan Gaffney		Contact Position CFO	Contact Telephone No. (403) 262 5441 (403) 513 1903
Contact Email Address RGaffney@canoverseas.com		Web Site Address www.canoverseas.com	