

FORM 7

MONTHLY PROGRESS REPORT – January 2023

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

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **277,858,812 as at January 31, 2023**

Date: **February 3, 2023**

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 continues to grow 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 Miscible Flood Unit , furthering the development of the large conventional oil discovery made in the Frontier sands at Cole Creek Unit and its Barron Flats Deep Unit, as well as on refinancing its exiting senior credit facility following the acquisition of working interests in the Wyoming assets in July 2022.

Management continues to be focused on opportunities that its seasoned technical team has strength in evaluating and developing.

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.

On January 23, 2023, the Issuer announced the oil from Frontier 1 completion at Cole Creek 11-27-35n-77w which was 125-135 bbl./d of fluid through 65' of unstimulated perforations, with gasified light oil cuts of up to 86% observed. Well clean-up is continuing with near well-bore damage caused by invasion of significant volumes of light fresh water drilling mud during drilling 10.5 years ago. For more details, please refer to January 23, 2023 press release.

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 December 30, 2022, US\$200,000 principal of 2024 Bonds and on January 3, 2023, US\$200,000 principal of 2025 Bonds were converted by Bond Holders, as described below.
14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	2,526,846	Jan 6, 2023 - deemed price US\$0.1583 per share	2024 bond conversion US\$200,000 principal (December 30, 2022); 2025 bond conversion US\$200,000 principal (January 3, 2023)

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

On January 31, 2023 the Issuer has filed a Prospectus with the Financial Conduct Authority. The Prospectus has been approved by the UK Listing Authority and is available for viewing on the Company's website <https://www.canoverseas.com/>, and at the National Storage Mechanism via

[https://data.fca.org.uk/#/nsm/nationalstoragemechanism.](https://data.fca.org.uk/#/nsm/nationalstoragemechanism)

No new shares were issued further to this Prospectus.

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.

Mr. Nigel Little has resigned effective January 22, 2023 for health reasons.

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

The Issuer's Wyoming operations and operating cash flow have recently (during late December 2022 and January 2023) been impacted by weather-related downtime and long-lead times or unavailability of services required for paraffin remediation and production management at BFSU. Severe winter storms impacted the Issuer's oil sales during January 2023 as oil haulers were unable to safely navigate roads. On January 28, 2023 the BFSU gas plant and field operations were shut-in for safety purposes due to severe winter weather and BFSU production and gas injection has been offline since that date. BFSU production facilities are presently being re-started from January 30, 2023 as weather and access roads are cleared. Limited quantities of oil have been trucked from Cole Creek Unit during this time. As a result of these interruptions in production and sales the Issuer's affiliate COPL America may not meet its financial covenants pursuant to its Senior Credit Facility in February 2023 and March 2023 unless new financing is secured.

During 2022, the global economy showed strong signs of recovery from the impacts of the COVID-19 pandemic. Benchmark oil and natural gas prices have increased significantly due to the easing of COVID19 restrictions. The recent conflict between Russia and Ukraine raising global concern over oil and natural gas supply and other negative economic factors including supply constraints and labour shortages which have increased inflationary pressures on governments, businesses and communities and resulted in volatility in oil and gas prices. The COVID-19 pandemic, recent global conflict and other negative economic factors remain evolving situations that have had, and may continue to have, a significant impact on the Issuer's business, results of operations, financial condition and the environment in which it operates. Management cannot reasonably estimate the length or severity of these global events, or the extent to which the disruption will impact the Issuer long-term.

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 3, 2023.

Ryan Gaffney
Name of Director or Senior
Officer

"Ryan Gaffney"
Signature

CFO
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
Canadian Overseas Petroleum Limited	January 31, 2023	23/02/3
Issuer Address 3200 – 715 5 th Ave SW		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Calgary, Alberta, Canada, T2P 2X6	(403) 263 3251	(403) 262 5441
Contact Name	Contact Position	Contact Telephone No.
Ryan Gaffney	CFO	(403) 262 5441 (403) 513 1903
Contact Email Address	Web Site Address	
RGaffney@canoverseas.com	www.canoverseas.com	