

FORM 7

MONTHLY PROGRESS REPORT – February 2023

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

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **313,096,896 as at February 28, 2023**

Date: **March 7, 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.

The Issuer has experienced several severe winter storms at its Wyoming operations from late December to late February. High snow accumulations from these winter storms coupled with ongoing high winds and lower than normal temperatures have impacted the production operations at the Issuer's Barron Flats Shannon Unit and it's Cole Creek field. The Issuer has augmented its normal snow clearing equipment with contracted D6 sized bulldozers to keep the field roads open daily to its production tanks. This extra equipment was needed due to ongoing snow drifting to heights of 8-10 feet due to recurrent high winds. Access to field production tanks has also been restricted by the lack of snow clearing on local rural public roads due to local government imposed low clearing priority during these winter storm events. Oil storage capacity in the field is limited, thus production is limited when removal of produced oil is restricted.

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 February 3, 2023, US\$1,000,000 principal of 2024 Bonds was converted by Bond Holder, as described in #14 below.

In addition, the following share settlement options exercised by certain Bondholders:

- As announced on February 17, 2023, the Issuer issued 8,530,951 Shares on February 15, 2023, pursuant to the share settlement option exercised by certain Bondholders for settlement of \$0.75 million of Conversion Payment amounts (and related accrued interest) due in respect of two converted 2024 Bonds and four converted 2025 Bonds. The number of Shares issued for settlement of these Conversion Payments is based on the lowest 5-day VWAP following election of the share settlement option for the Conversion Payments.
- As announced on February 24, 2023, the Issuer issued 20,390,014 common shares on February 22, 2023 and February 24, 2023, pursuant to the share settlement option exercised by certain Bondholders for settlement of approximately \$1.7 million of Conversion Payment amounts (and related accrued interest) due in respect of two converted 2024 Bonds

and 11 converted 2025 Bonds. The number of Shares issued for settlement of these Conversion Payments is based on the lowest 5-day VWAP following election of the share settlement option for the Conversion Payments.

Further to the news release of February 1, 2023, the Issuer's operating affiliate COPL America has executed a Waiver, with the support of its Lender, pursuant to which the measurement date of its February 28, 2023 liquidity covenant (the "Liquidity Covenant") has been extended to 14 March 2023. The Liquidity Covenant will be measured based on average cash of \$2.5 million from the period January 15, 2023 to March 14, 2023.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common shares	6,317,119	Feb 9, 2023 - deemed price US\$0.1583 per share	2024 bond conversion US\$1,000,000 principal (February 3, 2022)
Common shares	8,530,951	Feb 15, 2023 - deemed price US\$0.088 per share	Share settlements of Conversion payment liabilities in respect of two converted 2024 Bonds and four converted 2025 Bonds.
Common shares	19,064,740	Feb 22, 2023 - deemed price US\$0.085 – US\$0.086 per share	Share settlements of Conversion payment liabilities in respect of one converted 2024 Bond and eleven converted 2025 Bonds.
Common shares	1,325,274	Feb 24, 2023 - deemed price US\$0.086 per share	Share settlements of Conversion payment liabilities in respect of one converted 2024 Bond.

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

On February 8, 2023, the Issuer announced that 113,589,348 Common shares in the capital of the Issuer, which were previously issued by the Issuer over the last 14 months, have been admitted to trading on the London Stock Exchange's Main Market as of 8:00 am (London time) on February 7, 2023.

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.

None to report.

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

During 2022, the global economy showed 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 March 7, 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	February 28, 2023	23/03/7
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	