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Canadian Overseas Petroleum Limited (CSE: XOP, LSE: COPL),

Placing

London, United Kingdom and Calgary, Canada, May 28, 2019 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration and development company focused on sub-Saharan Africa, is pleased to announce the completion of placing by Shard Capital Partners LLP to raise gross proceeds of £497,000 (the “Placing”), pursuant to which the Company will issue 497,000,000 new common shares (“Placing Shares”) at a price of 0.1 pence per Placing Share.

The Company intends to use the net proceeds of the Placing to fund its on-going general and administrative expenses thereby allowing it to progress development and financing plans underway for the OPL 226 project.

The Company’s key asset is OPL 226 offshore Nigeria held by its Nigerian affiliate. COPL expects to bring three to four appraisal wells at OPL 226 onto production at a forecast rate of 6-10,000 bpd per well by the end of 2020.

Early Production Scheme in 2019

COPL expects to drill the first appraisal well at OPL 226 by late 2019, subject to regulatory approvals, and place it in production through an Extended Well Test (“EWT”) utilising an Early Production System (“EPS”). This will be followed by the drilling of two to three additional similar wells on the prolific NOA Structure – all set to come on-stream by the end of 2020. This phase of the project would precede a full field development, after OML conversion offering significantly higher production levels. A full summary of the OPL 226 program was outlined in a Company announcement dated January 28, 2019.

Completion of this phase of the program will trigger conditional project financing arranged by ShoreCan for up to US\$50 million for OPL 226 from Trafigura and the Mauritius Commercial Bank. The project finance is contingent on a production test delivering 6,000 bpd for 21 days and a minimum of US\$20 million capital investment by ShoreCan. The Company is currently in advanced discussions with several global service providers regarding the provision of services for the early production scheme and concurrently in discussions with groups for the provision of project financing.

Netherland Sewell and Associates, Inc. (“NSAI”) has evaluated COPL’s Contingent Resources and Prospective Resources on OPL 226 and produced a report as of December 31, 2018. The report, dated March 15, 2019 was prepared under Canadian National Instrument NI 51-101. The findings highlight the inherent value in the asset and underpin the Company’s ultimate potential. A summary of the report can be found in the Company’s Annual Information Form (“AIF”) dated March 28, 2019. The complete report can be viewed under the Company’s name at www.sedar.com or on the Company’s website www.canoverseas.com.

Application has been made for the Placing Shares to be admitted to the Official List and to trading on the Main Market on 5 June 2019.

Arthur Millholland, President and CEO, commented: "This placing will help ensure the Company is able to realise the significant potential with OPL 226. As it is limited to only 20% of our current market capitalisation, we expect to announce additional financing measures in the coming weeks. Concurrently we are focused on concluding the placement of the OPL 226 Performance Bond by our Nigerian affiliate and progressing the acceptance of the jack-up drilling rig currently under a non-binding letter of intent. As we have previously indicated, once the Performance Bond is in place we can commence operations in earnest."

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 Placing Shares in any jurisdiction in which such offer, solicitation or sale may be unlawful. The common shares 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.

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) ("Nigerian Affiliate" or the "Affiliate"). The Company's Nigerian Affiliate has applied to the concessionaire NNPC for formal consent to the change in control of the Nigerian Affiliate. The Affiliate 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 2019. ShoreCan is continuing building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and has been indicatively awarded an 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 CSE and under the symbol "COPL" on the London Stock Exchange.

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