

FORM 7

MONTHLY PROGRESS REPORT – February 2021

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

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **9,162,679,722 as at February 28, 2021**

Date: **March 4, 2021**

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 continued to be focused on obtaining financing and completing the acquisition of Atomic Oil and Gas LLC (“Atomic”).

2. Provide a general overview and discussion of the activities of management.
Management has focused on Atomic acquisition and obtaining financing for the acquisition.
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 February 5, 2021 the Issuer repaid the remaining balance of £400,000 (approx. 701,000 CAD) of the YARF Loan in cash without penalty. The Issuer has met all of the terms and conditions of the Lenders under the Loan agreement.

On February 18, 2021, the Issuer announced that it has been notified that its previously announced US\$65 million Senior Credit Facility ("Facility") was approved by the Investment Committee of the US based Global Investment Firm to finance the closing of its acquisition of Atomic and its related entities. The facility has a term of four years and is subject to typical lending conditions though its term. The terms of the Facility are market competitive and availability of the Facility remains subject to execution of final definitive loan documentation and satisfaction of customary conditions precedent. Please refer to the news release for more details.

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

In February 2021, further to non-brokered UK placings (announced on December 30, 2020 and January 8, 2021), the Issuer completed a placement of 31,889,000 units at a price of £0.002 per unit, each unit comprising of one Common share and one half of one common share warrants. Total gross proceeds of placement amounted to £63,800 (approx. \$0.11 million).

On January 30, 2020 the Issuer issued a total of 2,250,000,000 Placing warrants and 324,151,874 Broker warrants. Each whole warrant is exercisable into one Common Share at a price of £0.0026 per share. Total 2,145,237,500 Placing warrants issued relate to January 2021 and February 2021 placements. 2,129,293,000 Placing warrants were issued in relation to January 2021 settlements for the Placing and 15,944,500 Placing warrants in respect of February 2021 settlements for the Placing.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	23,589,000	February 17, 2021 - £0.002 per share	£47,180 gross proceeds for the acquisition of Atomic and to fund working capital
Common shares	8,300,000	February 26, 2021 - per £0.002 per share	£16,600 gross proceeds to for the acquisition of Atomic and to fund working capital
Placing warrants	2,250,000,000	Exercised price £0.0026, expiry date January 8, 2022	Placing warrants
Broker warrants	324,151,875	Exercised price £0.0026, expiry date January 8, 2022	Broker warrants

(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.

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.

The recent outbreak of a strain of coronavirus (commonly known as COVID-19) has negatively impacted global economic conditions, including the demand for oil and gas and the Issuer's stock price. If the coronavirus outbreak continues and results in a prolonged period of travel, commercial and other similar restrictions affecting the Issuer's personnel, contractors and suppliers. A prolonged period of outbreak and depressed share price may also impede the ability of the Issuer to finance its operations through further debt and/or equity raisings.

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 4, 2021.

Arthur S. Millholland
Name of Director or Senior
Officer

"Arthur S. Millholland"
Signature

Director, President & CEO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/D
Name of Issuer Canadian Overseas Petroleum Limited		Feb. 28, 2021	21/03/4
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.
Arthur S. Millholland		Director, President & CEO	(403) 262 5441 (403) 975 8182
Contact Email Address		Web Site Address	
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