

## FORM 7

### **MONTHLY PROGRESS REPORT – January 2021**

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

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **9,130,790,722 as at January 31, 2021**

Date: **February 10, 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.*

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.  
On February 1, 2021 the Issuer announced that its 50% owned Joint Venture Company, Shoreline CanOverseas Petroleum Development Corporation Limited ("ShoreCan") and Essar Exploration & Production Limited (Mauritius) ("Essar Mauritius") have agreed to extend the completion date of the definitive agreements between the parties announced on August 4, 2020 to April 30, 2021.  
On August 4, 2020, the Issuer announced that the shareholders of the Issuer's Nigerian Affiliate had executed definitive agreements to resolve their disputes. Completion of these agreements is subject to the Nigerian National Petroleum Corporation ("NNPC") granting an extension of the exploration period under the OPL 226 PSC beyond the September 30, 2020. The Nigerian Affiliate applied for this extension in June 2020. COPL understands that COVID-19 restrictions pertaining to travel and "in person" meetings have continued to cause delays regarding the application within the NNPC and the Department of Petroleum Resources ("DPR") due to increases in protection measures to protect the Nigerian people from the increasing effects of the pandemic.
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.

Intended acquisition of Atomic. Please refer to the news release dated December 16, 2020 and Form 10 "Notice of proposed significant transaction".

On January 8, 2021 the Issuer announced that it has paid US\$8 million as the second payment to Atomic Oil and Gas LLC. The payment will secure the purchase of 15% of Atomic's working interest in all of Atomic's leasehold interests.

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.

In January, 2021 and in accordance with to YARF Loan agreement, the Issuer repaid £100,000 (approx. CAD\$173,000) of principal balance of YARF Loan.

On January 21, 2021, the Issuer announced that it has signed a Term Sheet for a US\$65 million Senior Credit Facility ("Facility") with a 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. Closing of the Facility, which is not yet legally binding, is expected on or about the week of February 15, 2021. Please refer to the news release for more details.

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

In January 2021, further to non-brokered UK placings (announced on December 30, 2020 and January 8, 2021), the Issuer completed a placement of 4,258,586,000 units at a price of £0.002 per unit, each unit comprising of one Common share and one half of one common share warrants, each whole warrant exercisable into one Common Share at a price of £0.0026. Total gross proceeds of placement amounted to £8.5 million (approx. \$14.5 million), including 57,500,000 shares issued as conversion of the Chief Executive Officer (“CEO”) Loan for the total amount of £115,000 (approx. \$200,000).

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common shares	1,050,000,000	January 8, 2021 - £0.002 per share	£2,100,000 gross proceeds for the acquisition of Atomic and to fund working capital
Common shares	2,062,500,000	January 11, 2021 - per £0.002 per share	£4,125,000 gross proceeds to for the acquisition of Atomic and to fund working capital
Common shares	57,500,000	January 11, 2021 - per £0.002 per share	£115,000 - conversion of the Chief Executive Officer Loan
Common shares	325,000,000	January 12, 2021 - per £0.002 per share	£650,000 gross proceeds for the acquisition of Atomic and to fund working capital
Common shares	188,586,000	January 14, 2021 - per £0.002 per share	£377,172 gross proceeds for the acquisition of Atomic and to fund working capital
Common shares	575,000,000	January 26, 2021 - per £0.002 per share	£1,150,000 gross proceeds for the acquisition of Atomic and to fund working capital

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

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

On January 11, 2021 the Issuer issued 57,500,000 shares to the CEO pursuant to the Secured Convertible Debenture agreement for the total amount of £115,000 (approximately \$200,000). As a result of conversion the total outstanding amount of CEO Loan is considered to be fully repaid.

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 February 10, 2021.

Arthur S. Millholland  
Name of Director or Senior  
Officer

"Arthur S. Millholland"  
Signature

Director, President & CEO  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report YY/MM/D
Name of Issuer		Jan. 31, 2021	21/02/10
Canadian Overseas Petroleum Limited			
Issuer Address			
3200 – 715 5 <sup>th</sup> 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	
AMillholland@canoverseas.com		www.canoverseas.com	