



CANADIAN OVERSEAS PETROLEUM LIMITED

ANNUAL INFORMATION FORM

For the year ended December 31, 2018

March 28, 2019

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ABBREVIATIONS

Crude Oils, Natural Gas Liquids and Natural Gas

° API	degrees API gravity ⁽¹⁾	Mboe	thousands of barrels of oil equivalent
bbl	barrel ⁽²⁾	MMBTU	million British thermal units
bbls	barrels	Mcf	thousand cubic feet
bbls/d	barrels per day	MMcf	million cubic feet
Bcf	billion cubic feet	Mcf/d	thousand cubic feet per day
boe	barrels of oil equivalent ⁽³⁾	MMcf/d	million cubic feet per day
Gj	gigajoules	NGLs	natural gas liquids
ha	hectares	Psi	pounds per square inch
km ²	square kilometres	Psia	pounds per square inch absolute
Mbbls	thousands of barrels	Tcf	trillion cubic feet
MMbbls	millions of barrels		

Notes:

- (1) An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28 ° API or higher is generally referred to as light crude oil.
- (2) Each barrel represents 34.972 Imperial gallons or 42 U.S. gallons.
- (3) Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. A conversion ratio of six mcf of natural gas to one bbl of crude oil or NGLs is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

CONVERSIONS

The following table sets forth standard conversions from Standard Imperial Units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
boes	Mcfs	6.000
Mcf	Cubic metres ("m ³ ")	28.174
Cubic metres	Cubic feet	35.494
bbls	Cubic metres ("m ³ ")	0.159
Cubic metres ("m ³ ")	bbls oil	6.290
Feet	Metres ("m")	0.305
Metres ("m")	Feet	3.281
Miles	Kilometres ("km")	1.609
Kilometres ("km")	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

ANALOGOUS INFORMATION

In certain sections of this AIF (as defined herein), including without limitation "*Description of the Business – Property Interests*", the Corporation provides certain historical information concerning reserves or resources, estimates of the volume of reserves or resources, production estimates, historical production amounts, well tests and other information in respect of the areas referenced above and the countries surrounding the areas referenced above, which may be "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources that the Corporation believes are predominantly independent in nature and for which references to such information sources have been provided in such sections. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with the Canadian Oil & Gas Evaluation Handbook. In addition, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. The Corporation believes that the provision of this analogous information is relevant to the Corporation's activities, given its ownership interests and operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Corporation's activities in these areas will be successful to the extent in which operations in the areas in which the analogous information is derived from were successful, or at all.

GLOSSARY

In this annual information form, the following terms have the meanings set forth below:

"**Agamore**" means AIM, the junior market operated by the London Stock Exchange.

"**AIM**" means Agamore Energy Limited.

"**AIF**" or "**Annual Information Form**" means this annual information form of the Corporation for the year ended December 31, 2018, dated March 28, 2019.

"**Articles**" means the articles of incorporation of the Corporation, as amended from time to time.

"**Audit Committee**" means the audit committee of the Corporation.

"**BG Group**" means, collectively, BG Group plc. and its subsidiaries.

"**Block EG-18**" means the offshore block EG-18 in Equatorial Guinea.

"**Block LB-13**" means block LB-13 in the Liberian Basin offshore Liberia.

"**Block PT5-B**" means the 4,356 km² onshore block located on the Mozambique coastal plain, 750 km north of the capital of Maputo and surrounding the north, west and south west margins of the Pande gas field.

"**Block OPL 226**" means the offshore block 226 in Nigeria.

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation.

"**Brent Crude**" means the major trading classification of sweet light crude oil.

"**Canadian dollars**" or "\$" means Canadian dollars, being the lawful currency from time to time of Canada.

"**CEO**" means Chief Executive Officer.

"**Chevron**" means Chevron Corporation.

"**Common Share**" or "**Common Shares**" means, respectively, one or more common shares in the capital of COPL.

"**Compensation Committee**" means the compensation committee of the Corporation;

"**Consortium**" means the consortium in Mozambique comprised of COPL and Shoreline (together, 57%), Bluegreen Holdings Ltd. (23%), Indico Dourado Lda. (10%) and ENH (10%), which has been awarded rights to Block PT5-B.

"**COPL**" or the "**Corporation**" means Canadian Overseas Petroleum Limited.

"**COPL Bermuda**" means Canadian Overseas Petroleum (Bermuda) Limited.

"**COPL Bermuda Holdings**" means Canadian Overseas Petroleum (Bermuda Holdings) Limited.

"**COPL Namibia**" means Canadian Overseas Petroleum (Namibia) Limited.

"**COPL Ontario**" means Canadian Overseas Petroleum (Ontario) Limited.

"**COPL Technical**" means COPL Technical Services Limited.

"**COPL (UK)**" means Canadian Overseas Petroleum (UK) Limited.

"**Corporate Governance and Nominating Committee**" means the corporate governance and nominating committee of the Corporation.

"**CSE**" means the Canadian Securities Exchange.

"**CREST**" means Certificateless Registry for Electronic Share Transfer, which functions as a UK-based central securities depository.

"**Directors**" means the directors of the Corporation.

"**E&E**" means exploration and evaluation.

"**EITI**" means the Extractive Industries Transparency Initiative.

"**ENH**" means the Mozambique Empresa Nacional de Hidrocarbonetos.

"**ENI**" means ENI S.p.A.

"**Essar Nigeria**" means Essar Exploration and Production Limited (Nigeria).

"**Essar Nigeria Shareholders Agreement**" means the shareholders agreement dated August 17, 2015 between ShoreCan and Essar Nigeria.

"**Essar Mauritius**" means Essar Exploration and Production Limited (Mauritius), the company that owns 20% of Essar Nigeria shares.

"**ExxonMobil Liberia**" means ExxonMobil Exploration and Production Liberia Limited.

"**Facility**" means non-legally binding credit facility Term Sheet comprising of a line of credit for a minimum of US\$30 million to maximum of US\$50 million;

"**FPSO**" means floating production, storage and offloading vessel.

"**First E&P**" means First Exploration & Petroleum Development Co. Ltd.

"**GDP**" means gross domestic product.

"**Ghana**" means the Republic of Ghana.

"**Group**" means Canadian Overseas Petroleum (UK) Limited ("**COPL UK**"), Canadian Overseas Petroleum (Ontario) Limited ("**COPL Ontario**"), COPL Technical Services Limited ("**COPL Technical**"), Canadian Overseas Petroleum (Bermuda Holdings) Limited ("**COPL BH**"), Canadian Overseas Petroleum (Bermuda) Limited ("**COPL Bermuda**"), Canadian Overseas Petroleum (Namibia) Limited ("**COPL Namibia**") and 50% interest in Shoreline CanOverseas Petroleum Development Corporation Limited ("ShoreCan").

"**Liberia**" means the Republic of Liberia.

"**LSE**" or "**London Stock Exchange**" means the London Stock Exchange plc.

"**Mesurado-1 Well**" means the Mesurado-1 exploration well drilled by ExxonMobil Liberia during the fourth quarter of 2016.

"**Namibia**" means the Republic of Namibia.

"**Noa West**" means the Noa West prospect area identified in the NSAI Report.

"**Noa East**" means the Noa East prospect area identified in the NSAI Report.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

"**NNPC**" means the Nigerian National Petroleum Corporation.

"**NSAI**" means Netherland, Sewell & Associates, Inc., independent reserves auditors.

"**NSAI Report**" means the report as of December 31, 2018 on the *"Estimates of Contingent and Prospective Resources to the Canadian Overseas Petroleum Limited Interest in Certain Discoveries and Prospects Located in Oil Prospecting License 226 Offshore Nigeria"*.

"**NYSE**" means the New York Stock Exchange.

"**Oilexco**" means Oilexco Inc.

"**OML**" means an Oil Mining Licence.

"**OPEC**" means the Organization of Petroleum Exporting Countries.

"**OPL**" means an Oil Prospecting Licence.

"**OPL 226**" means Oil Prospecting License in respect of Block 226 in Nigeria.

"**OPL 226 Transaction**" means the acquisition of 80% of Essar Nigeria shares by Shoreline CanOverseas Petroleum Development Corporation Limited on September 13, 2016.

"**Options**" means the options to purchase a Common Shares granted under the Corporation's Stock Option Plan.

"**Preferred Shares**" means preferred shares in the capital of the Corporation.

"**Pounds Sterling**" or "**GBP**" or "**£**" means pounds sterling, being the lawful currency of the United Kingdom.

"**PSC**" means production sharing contract.

"**Sasol**" means Sasol Petroleum Mozambique.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

"**Shareholder**" means a holder of Common Shares from time to time.

"**ShoreCan**" means Shoreline CanOverseas Petroleum Development Corporation Limited, the joint venture company in which COPL, through its wholly-owned subsidiary COPL Bermuda Holdings, and Shoreline each hold a 50% interest.

"**Shoreline**" means Shoreline Energy International Limited, the Group's joint venture partner in ShoreCan.

"**Stock Option Plan**" means the stock option plan of the Corporation.

"**Tanzania**" means the United Republic of Tanzania.

"**Term Sheet**" means the project financing and offtake agreement term sheet entered into among MCB, Trafigura, the EFA Group, and ShoreCan and providing for the Facility;

"**Trafigura**" means Trafigura PTE Ltd.;

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**US**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.

"**USD**", "**US\$**" or "**US dollars**" means United States dollars, being the lawful currency of the United States.

"**USGS**" means United States Geological Society.

"**Warrant**" or "**Warrants**", means one or more Common Share purchase warrants of the Corporation, each such warrant entitling the holder thereof to purchase one Common Share at a specified exercise price prior to the specified expiry date.

"**West African Transform Margin**" means the emerging formation for offshore oil and gas exploration located offshore western Africa.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF constitute forward-looking statements. In some cases, forward-looking information and forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "predict", "project", "should", "target", "will", or similar words suggesting future outcomes or language suggesting an outlook. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of the Corporation's Group, the outcome of Admission, future production and grades, the economic limit or viability of assets, projections for sales growth, estimated revenues, reserves and resources, targets for cost savings, the construction cost of new projects, the timing and outcome of exploration projects and drilling programmes, projected capital expenditures, transportation costs, the timing of new projects, the outcome of legal proceedings, the integration of acquisitions, future debt levels, fiscal regimes, the outlook for the prices of hydrocarbons, the outlook for economic recovery and trends in the trading environment, statements about strategies, cost synergies, revenue benefits or integration costs and production capacity of the Corporation's Group and the industry and countries in which the Group operates. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Operating conditions can have a significant effect on the timing of events. Accordingly, investors are cautioned that events or circumstances could cause results to differ materially from those predicted. The Board believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon.

In particular, this AIF contains forward-looking information and statements pertaining to the following:

- business strategy, strength and focus;
- expectations to add reserves through acquisitions and development;
- expanding operations into other jurisdictions, including, without limitation, Mozambique;
- the dividend policy of the Corporation;
- operating results and future performance of the Corporation;
- cost sharing arrangements with joint operators;
- the Group's commitments under the OPL 226 Transaction;
- debt and financing arrangements for OPL 226;
- granting a consent to OPL 226 Transaction by the Nigerian Government;
- the timing of work program under OPL 226;
- the ability to reach an agreement on legally binding documents for financing OPL226 project and related security documentation;
- the evaluation of Block PT5-B opportunities and timings of negotiations with the Mozambique Government in respect of the terms of a PSC;
- information in respect of prospective resources the Group may have, including disclosure of the NSAI Report ;
- anticipated forthcoming activity in the oil and natural gas industry in the fields in which the Group operates;
- the size of the oil, natural gas and natural gas liquids reserves and the ability to commercially exploit them;
- drilling and exploitation timelines;
- the potential reward for undiscovered oil and gas deposits in the West African Transform Margin;
- the outcome of legal proceedings, including the validity of certain defences and counterclaims to any such action that might be brought by Essar Mauritius against the Group;
- the invalidity of Agamore's claim to a 37% interest in OPL 226;
- the Group's dependence on certain PSC's and oil production licences;
- oil and natural gas production levels;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- the significant follow-up potential for a discovery well in the Noa West and Noa East prospect areas that were identified in the NSAI Report;
- expectations regarding the ability to raise capital and obtain the financing necessary to develop profitable oil operations;
- the timing of any potential financings, including: offerings, private placements or contributions of funds by existing shareholders;
- assumptions in respect of valuation of warrants and stock options;
- the Corporation's Group ability to manage its financial and operations risks;
- anticipated use of funds obtained from the financing;
- the Group's intention in respect of maintaining sufficient insurance;

- treatment under governmental regulatory regimes, tax laws and environmental regulations;
- tax horizon and future income taxes;
- capital expenditure programmes; and
- abandonment and reclamation costs.

Currently the Group has no oil and gas reserves. Statements relating to "reserves" and "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future.

Forward-looking information and statements are based on the Corporation's current beliefs as well as assumptions made by, and information currently available to, the Corporation concerning future oil and natural gas production levels, future commodity prices, the ability to add oil and natural gas reserves through farm-in, acquisition and/or drilling at competitive prices, future exchange rates, the cost and availability of equipment and services in the field, the impact of increasing competition and the ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and discussed more extensively elsewhere in this AIF:

- failure to obtain government consent to the OPL 226 Transaction;
- failure to obtain debt and other financing for OPL 226;
- negotiations with the Government of Mozambique in respect of the terms of a PSC relating to Block PT5-B;
- at this time, the Group only has "resources" vs. "reserves", resources, including estimates of resources, are subject to significantly more uncertainty and risk, as discussed further under "*Risk Factors – Estimates of Resources*";
- estimates of resources;
- access to production facilities;
- volatility of crude oil and natural gas prices;
- status and stage development;
- reliance on key individuals;
- availability of capital to fund future operations;
- insurance;
- negative operating cash flow;
- possible failure to realize anticipated benefits of acquisitions;
- marketability of crude oil and natural gas;
- availability of equipment and access restrictions;
- nature of reserves and additional funding requirements;
- cybersecurity and terrorism;
- project risks;
- third party credit risk;
- operating hazards and other uncertainties;
- competition;
- joint property ownership and joint venture risks;
- access to production facilities;
- global financial instability;
- alternatives to and changing demand for petroleum products;
- interest rate cash-flow risk;
- geo-political change;
- foreign operations;
- operating in African countries;
- the Group's business in jurisdictions with inherent risks relating to fraud, bribery and corruption;
- changes in government policy that could have a negative impact on the Group's business;
- permits, licences, approvals and authorizations;
- the Group's exposure to the risk of changes in laws in the jurisdictions where it operates;
- working with local communities and indigenous peoples on property onshore;
- corporate tax regime;
- tax regimes in certain jurisdictions are subject to differing interpretations and are subject to change;
- foreign currency exchange risk;
- governmental regulation;
- environmental regulations;
- climate change;

- country specific political risk: Nigeria and Mozambique;
- share price volatility;
- liquidity of the Common Shares and realization of investment in Common Shares;
- dilution and further sales; and
- the risk factors set forth in "*Risk Factors*".

With respect to forward looking statements contained in this Annual Information Form, COPL has also made assumptions regarding, among other things, the willingness of operators to conduct operations on certain properties in foreign jurisdictions; future oil and gas prices or cost of products sold; ability to obtain required capital to finance exploration, development and operations; the ability to maintain sufficient funds to continue the operations of the Group; the timely receipt of any required regulatory approvals; ability to obtain drilling success consistent with expectations; the ability of Group to secure adequate product transportation; no material variations in the current tax and regulatory environments; and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking statements and other information contained herein concerning the oil and gas industry and COPL's general expectations concerning this industry are based on estimates prepared by management of COPL, using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry, which COPL believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While COPL is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

The above summary of major risks and assumptions, related to forward-looking information and statements included or incorporated by reference in this AIF has been provided for readers to gain a more complete perspective on Group's future operations. However, readers should be cautioned that the above list of factors is not exhaustive and that this information may not be appropriate for other purposes. Forward-looking statements included or incorporated by reference in this AIF are valid only as at the date of this AIF, and the Corporation does not intend to update or revise these forward-looking statements except as required by applicable securities laws. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

NOTE REGARDING INDUSTRY INFORMATION

In certain sections of this AIF, including without limitation "*Description of the Business*", "*Oil and Gas Properties*" and "*Risk Factors*", the Corporation provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by management on the basis of its knowledge of the areas in which the Group operates. This third-party source information is derived from publicly available information sources that the Corporation believes are predominantly independent in nature. Historical, market and industry data and forecasts generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. The Corporation believes that the provision of this third-party source information is relevant to understanding the environment in which the Corporation's Group activities, business and operations are carried out, however, readers are cautioned that there is no certainty that any of the Corporation's Group activities in these areas will be successful to the extent in which operations in the areas in which the third-party source information is derived from were successful, or at all.

THE CORPORATION

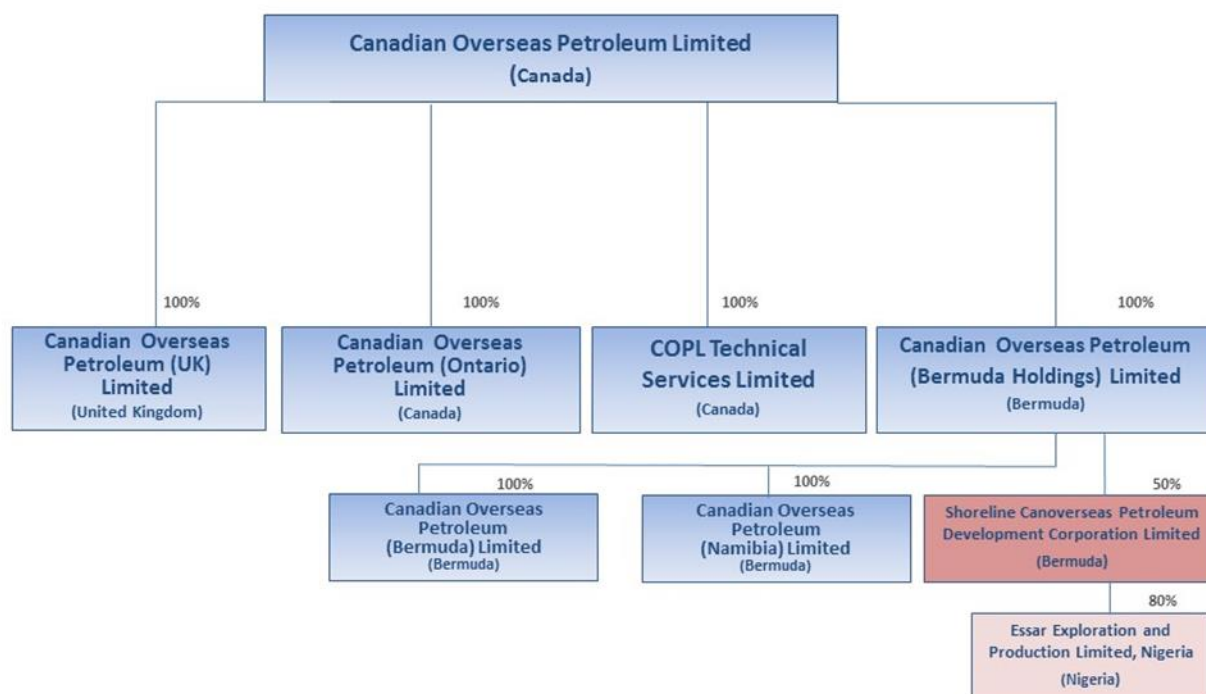
Name, Incorporation and Address

Canadian Overseas Petroleum Limited was incorporated under the *Canada Business Corporations Act* on July 8, 2004 under the name Aureus Ventures Inc. The Corporation changed its name to Velo Energy Inc. on July 5, 2006, and to Canadian Overseas Petroleum Limited on July 22, 2010. The Common Shares were consolidated on July 23, 2010 on the basis of one post-consolidation Common Share for every four pre-consolidation Common Shares. COPL's head office is located at Suite 3200, 715 – 5th Avenue S.W. Calgary, Alberta T2P 2X6 and its registered office is located at Suite 400, 444 – 7 Ave, SW, Calgary, Alberta T2P 0X8.

As described more fully below, COPL is an oil and gas exploration and development company currently active primarily in Africa. Senior management and strategic corporate functions are performed by COPL's head office in Calgary, and geological, geophysical, engineering, accounting and administrative functions are performed by COPL Technical. Some technical and projects related functions are provided by COPL (UK). COPL Bermuda Holdings and COPL Namibia were incorporated for operations offshore in Liberia and potential opportunities elsewhere in Africa. COPL Ontario was incorporated under the laws of Ontario in December of 2017 for the purposes of providing COPL with a vehicle with which it may act on potential acquisition opportunities in Canada.

Intercorporate Relationships

The following diagram sets forth the names of COPL's subsidiaries, their jurisdiction of incorporation and the percentage ownership held by COPL in each subsidiary. As of December 31, 2018, COPL had six wholly-owned subsidiaries: (i) COPL Technical, incorporated under the *Business Corporations Act* (Alberta); (ii) COPL (UK), which is registered under the laws of England and Wales; (iii) COPL Bermuda Holdings, which is registered under the laws of Bermuda; (iv) COPL Bermuda, which is registered under the laws of Bermuda; (v) COPL Namibia, which is registered under the laws of Bermuda (considered to be dormant as of December 31, 2018); and (vi) COPL Ontario, which is registered under the laws of Ontario. The Corporation, through its wholly-owned subsidiary COPL Bermuda Holdings, also holds a 50% interest in the ShoreCan joint venture company, which is registered under the laws of Bermuda. ShoreCan holds 80% of the shares of Essar Nigeria, which is registered under the laws of Nigeria and holds OPL 226. In Mozambique, the ShoreCan joint venture parties together expect to hold a 57% interest in respect of Block PT5-B and the Group is expected to act as operator.



DESCRIPTION OF THE BUSINESS

Business Objectives and Strategy

The Corporation's strategy is to use the expertise and experience of the Group's senior management team to grow its international oil and gas business in Africa and elsewhere in the world. Since its inception, the Corporation, both on its own and through its joint venture ShoreCan, has continuously explored potential development opportunities in various parts of Africa including in, among others, Tanzania, Namibia, Equatorial Guinea, Liberia, Nigeria and Mozambique. As at the date of this AIF, the Group is focused on the exploration and development of two projects, one in Nigeria and one in Mozambique. In Nigeria, ShoreCan (a joint venture entity in which the Corporation has a 50% interest) holds an 80% interest in OPL 226 pending confirmation by the appropriate governmental bodies. In Mozambique, the Consortium (in which the ShoreCan joint venture parties, together, expect to hold a 57% interest) has been indicatively awarded rights to onshore Block PT5-B in the fifth licensing round. The Group is expected to act as the operator of the project.

In order to execute its strategic growth strategy, the Group plans to:

- exploit management's experience at finding and investing in high return exploration, appraisal or development opportunities focused primarily on oil;
- continue to evaluate opportunities on the West African Transform Margin, similar to OPL 226 that are focused on oil trapped in the Late Cretaceous sandstone reservoirs – as some parts of West Africa are relatively lightly explored via exploratory drilling, management is of the view that this has the potential to offer high reward for large, undiscovered oil and gas deposits;
- partner with other African operators to explore for, appraise and/or develop properties, in particular with respect to its existing interests in Nigeria and Mozambique;
- enter into joint ventures, with entities such as Shoreline, in an effort to diversify and balance its asset portfolio; and
- target desirable exploration and development prospects that contain similar seismic and geological characteristics of nearby existing discoveries or producing fields.

Specialized Skill and Knowledge

Operations in the oil and natural gas industry mean that the Group requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration and operations, the Group utilizes the expertise of geophysicists, geologists, petroleum engineers and negotiators. Domestically, COPL's headquarters are based in Calgary, Alberta, which is the center of Canada's energy industry. The Group's exploration and development, however, are primarily based in Africa, an area in which international competitors include major integrated oil and gas companies and numerous other independent oil and gas companies. The Group competes with these major competitors for skilled industry personnel and the Group's competitors include companies that have greater financial and personnel resources available to them. In certain areas, government regulation also requires that a percentage of the employed workforce be comprised of residents of such areas. As a result, the Group faces significant challenges in respect of attracting and retaining a sufficient number of skilled employees to meet its needs, both in Alberta and Africa and these challenges are anticipated to continue for the foreseeable future.

Environmental Protection and Regulation

Oil and gas operations such as those with which the Group is involved, are subject to certain environmental laws and regulations at the federal, provincial/state and local levels. These laws and regulations generally require the Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling wells, pipelines and production facilities, decommissioning and remediating damage caused by the disposal or release of specified substances, and reclaiming former sites. Compliance with such legislation can require significant expenditures. A breach of such legislation may result in the imposition of material fines and penalties, the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage or the issuance of clean-up orders. The Group intends to operate in a manner intended to ensure that the Group's projects meet appropriate environmental standards. The Group did not incur any material expenditure in the past year as a result of environmental protection requirements, nor does it anticipate environmental protection requirements to have any material unanticipated financial or operational effects on the capital expenditures, earnings or competitive position of the Group in 2019.

Economic Dependence

The Group's interest in Nigeria is dependent on the terms of the oil producing license of OPL 226 in offshore Nigeria; the terms of ShoreCan's acquisition of its interests in Nigeria and the terms of the Group's joint venture arrangements, which are discussed in more detail under the heading "*Description of the Business – Property Interests – Nigeria*".

The Group's interest in Mozambique will be dependent on successful negotiation of a new PSC governing the Block PT5-B. Negotiations with the government are expected to commence in the first half of 2019. In connection with these negotiations, the Consortium will also acquire 1600 km of 2D seismic in respect of the block. See "*Description of the Business – Property Interests – Mozambique*".

Currently, the Group does not have material cash inflows and/or adequate financing to develop profitable operations. The Group is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive operating cash flows. Accordingly, the Group's continued successful operations and its ability to carry on its exploration and development activities and its obligations in respect of Block OPL 226 and Block PT5-B, both now and in the future are and will be dependent on its ability to obtain additional financing.

Government Regulation

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of the Group in a manner materially differently than they would affect other oil and natural gas companies of a similar size operating in the geographic areas in which the Group operates. A further discussion of some of the key considerations in respect of the regulatory environment in which the Group operates is provided below.

Pricing and Marketing of Oil

In certain parts of Africa, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance and other contractual terms, as well as the world price of oil.

Employees

As at December 31, 2018, COPL and its subsidiaries had a combined total of 11 full-time employees.

Offshore West Africa; The West African Transform Margin, Energy Industry Environment

Overview

Offshore West Africa is an emerging region for offshore oil and gas exploration, and greater political stability in recent years in a number of the countries that comprise the region have encouraged oil and gas companies to engage in drilling activities there. Onshore East Africa opportunities are being pursued in Mozambique that offset a producing gas field with new oil discoveries.

The primary geological targets offshore West Africa are Cretaceous-aged turbidite fan systems that have high quality sands.

While the governments in the region are relatively young democracies, the United Nations, foreign governments such as the United States, Japan and China, and other not-for-profit agencies have provided considerable assistance to these countries to help develop governance practices and enhance legal and accounting processes and technology systems to provide a more stable business and operational environment within the countries.

Competitive Environment

The African offshore energy industry has an active group of international companies that are participants. They include independent oil companies such as Kosmos Energy Ltd., Cobalt International Energy, Inc., Tullow Oil plc, and OAO Lukoil. The larger independents in the US including Hess, Anadarko and Noble Energy have also made certain areas in Africa part of their portfolios along with European majors such as ENI, Statoil, Repsol and BG Group. The super majors are also active in parts of Africa and include ExxonMobil Corp., Chevron, Royal Dutch Shell, and Total S.A. Many larger companies have recently entered the West African Transform Margin through the purchase of exploration rights via farm-in agreements over the last few years from other companies.

Status of Exploration and Development Activity in Africa

Some of the recent and anticipated forthcoming activity in Africa near the Group's license holdings includes the following:

Nigeria

In late July 2017, a joint venture of NNPC and First Exploration & Petroleum Development Co. Ltd. ("First E&P") signed an agreement with Schlumberger envisioning production of oil and natural gas starting in 2019 from the Anyala Field on the block represented by Oil Mining License ("OML") 83 and the Madu Field on the block represented by OML 85. (Oil and Gas Journal, July 3, 2017). On February 28, 2019, First E&P and Yinson Holdings Berhad executed a charter contract for the provision of the "Abigail-Joseph" FPSO (formerly known as FPSO "Allan") in the development of the Anyala and Madu fields on blocks OML 83 and OML 85, respectively. The FPSO charter will run for seven years from the achievement of first oil, with optional extension periods. The FPSO is expected to commence operations at the fields by the fourth quarter of 2019.

In mid-2018, NNPC, First E&P and Schlumberger concluded a financing agreement for the Anyala and Madu oil and gas fields, whereby Schlumberger will fund some US\$ 724.12 million out of a required US\$ 1,082 million for the development project, phased over several years. The Schlumberger financing package will cover pre-Final Investment Decision funding, all capital expenditure for three years and pre-production operating expenses. The agreement is based on a guaranteed project return and includes a payment assurance bank facility. The remaining US\$ 359 million required for the project will be funded by cash flows generated once production commences.

The Anyala and Madu fields are projected to have 193 MMbb/s and 0.637 Tcf proven recoverable gas reserves, with an expected production plateau of 50,000 bbls/d of oil and 120 MMcf/d of natural gas (stock tank oil initially in place of 450 MMbb/s and gas initially in place of 800 Bcf). The fields are located about 40 km offshore in water depths ranging from 25 to 60 m. First E&P is planning to drill 18 development wells on the fields; drilling operations are expected to take two years, with a possible one-year extension. First E&P concluded a 901 km² 3D seismic survey over OML 83 and OML 85 in January 2018. First E&P acquired 40% equity in OML 83 and OML 85 from Chevron in February 2015. First E&P is a Nigerian oil and gas company that was established in 2010 and it started formal business operations in July 2012 (DrillingInfo International Scout – Western Africa, March 7, 2019).

The Anyala Field (OML 83) is immediately adjacent to the Block OPL 226 held by the Group.

Mozambique

In the results of an analyst conference call with Sasol's Joint Presidents and Chief Executive Officers: Bongani Nqwababa and Stephen Cornell on February 27, 2017, they reported on their Mozambique purchase and sale agreement and the progress Sasol has made with drilling activities that yielded positive results. In particular, they remained committed to their growth plans and confirmed that four wells, two gas wells in the Temane reservoir and two oil wells in the Inhassoro reservoir, had been drilled in the fourth quarter of 2016. Sasol further noted that they had encountered previously unknown accumulations of hydrocarbons within the development and production area indicating the presence of both gas and oil and had issued a notice of discovery to the Mozambican authorities. The wells referenced by Sasol in its analyst conference call have been drilled on blocks adjacent to Block PT5-B, which is held by the Group.

Sasol reported that the 13 well drilling campaign in the Pande-Temane-Inhassoro field area that was initiated in mid-2016 had been interrupted while they incorporated the subsurface data from the initial 6 wells. Sasol also reported that they were awarding contracts for the oil project surface facilities at Inhassoro ("Leveraging Upstream Oil and Gas resources and opportunities for Regional Energy Integration," Dr. Gilbert Y. Yevi, 2018 – Sasol Corporate Presentation). These oil facilities will be located nearby to the oil prospects mapped on the adjacent Block PT5-B.

Property Interests

In early 2015, COPL announced the formation of ShoreCan, which is a special purpose vehicle registered in Bermuda. ShoreCan is focused on acquiring upstream oil and gas exploration, development and producing assets in Africa. COPL's interests in Nigeria are held through ShoreCan and the Consortium holding interests in Mozambique includes COPL's ShoreCan joint venture partner.

Nigeria

OPL 226

OPL 226 is located in the Niger Delta province, offshore Nigeria, and has an area of 1530 km² with water depths ranging from 40 to 180 m. OPL 226 is situated along the southwestern edge of a large growth fault-controlled structural complex (Anyala and Noa Complex) that can be mapped with available 3D seismic data.

Essar Nigeria was awarded OPL 226 in the 2007 bidding round with a signature bonus payment of US\$37 million. Currently, Essar Nigeria has acquired a 3D seismic survey in excess of its commitments under Phase 1 of the PSC governing OPL 226; however, it has yet to drill a well under Phase 1 of the PSC. On September 14, 2016, COPL announced that ShoreCan had completed the OPL 226 Transaction. Essar Nigeria's sole asset is the 100% interest in and operatorship of OPL 226. Under the terms of the PSC governing OPL 226, Essar Nigeria is required to seek ministerial consent for the change in control of Essar Nigeria. The Board of Directors believe that Essar Nigeria (which is 80% owned by ShoreCan) is in the final stage of being granted ministerial consent for the change of control of Essar Nigeria. On October 2, 2018, NNPC granted a conditional approval of a twenty four months extension of the Phase-1 exploration period until October 1, 2020. The extension is subject to certain conditions, including submission of a performance bond of US\$7 million that is required further to the PSC, to cover the Phase-1 exploration period work program at OPL226. The Group is looking at providing security such that Essar Nigeria may post the requisite performance bond. The Group continues to make further progress towards raising funds for its drilling obligations for OPL 226. Upon request in late December 2018, the Group submitted a comprehensive report entitled "Oil Prospecting License 226, Offshore Nigeria – Exploration Period: Phase I and Phase II Work Program" to the NNPC.

Under the terms of the OPL 226 Transaction, ShoreCan has taken over management and appointed a majority of the board of directors of Essar Nigeria effective January 12, 2017. Upon receipt of Ministerial approval, ShoreCan will be the official registered owner of the 80% working interest in OPL 226, and, as a result of its 50% ownership interest in ShoreCan, the Corporation will realize 40% of the results of Essar Nigeria.

Historically, only five wells have been drilled on OPL 226 by previous operators including: (i) Noa-1 drilled by Solgas in 2001 – oil and gas discovery; (ii) Oyoma-1 (1972) – oil and gas discovery; (iii) Dubagbene-1 (1972) – oil discovery; (iv) Nduri-1 (1973) – gas discovery; and (v) HJ South-1 (1973) – gas discovery.

The Noa-1 discovery well, drilled in 2001, encountered fine to medium-grained sandstones of the Agbada Formation that is trapped by a counter-regional (antithetic) fault. The Noa-1 discovery well encountered a thick sand in the 6100 foot stratigraphic zone that has 7.0 m of gas net pay and 18.7 m of oil net pay. Three additional gas-bearing sands (3600, 4900 and 5500 foot sands) were also encountered (uphole) in the Noa-1 well.

OPL 226 is situated around and adjacent to OML 83 in which the undeveloped Anyala oil and gas field is located. The Anyala field was discovered in 1972 and lies at the crest of northwest to southeast trending anticline plunging to the northwest and southeast onto OPL 226. First E&P holds a 40% interest in the licenses and is the operator of the asset. The NNPC holds the remaining 60% interest. The project will be developed with an existing FPSO and is designed to add up to 50,000 bbls/d and 120 MMcf/d with first oil scheduled for late 2019.

Two wells drilled in 1972, Oyoma-1 and Dubagbene-1 discovered oil and gas on the northwest plunge of the Anyala Anticline just a couple of months after the Anyala-1 discovery well was drilled, while Noa-1 discovered oil and gas on the southeast plunge on OPL 226 in 2001.

As noted above, Essar Nigeria has two 3D seismic surveys on OPL 226. The first 698 km² survey acquired by Solgas in 1999 and 2000 and licensed by Essar Nigeria covers the Anyala Anticline, with seismic coverage on the northwest plunge on OPL 226, the crestal area on OML 83, and the southeast plunge on OPL 226. In 2012 and 2013, Essar Nigeria acquired 568 km² of 3D seismic on the southwest plunging area of the Anyala Anticline and adjacent areas to evaluate the extent of the Noa-1 oil accumulation as well as to evaluate associated and adjacent structures. Based upon completion of the seismic mapping, the Group plans to drill wells adjacent to the Noa-1 discovery well in fault-related structures.

NSAI Report

In March 2016, COPL (on behalf of ShoreCan) commissioned NSAI to produce an updated Resource Report to the 2010 report that was originally completed for Essar Nigeria in relation to OPL 226. This new report incorporated the results of the 2012 3D seismic program and modeling completed by the Nigerian oil company, and was structured to comply with the requirements of NI 51-101 on the reporting of contingent and prospective resources. At the end of 2017, and again at the end of 2018, NSAI updated the report to include any potential changes. The disclosure of this latest report (dated December 31, 2018) and the calculated volumes is included at Appendix A hereof.

Overview of the Oil and Gas industry in Nigeria

There are two types of licenses issued to oil producers in Nigeria, namely: the Oil Prospecting License and the Oil Mining License, with validity periods ranging from five to 20 years, respectively. Given that a producing well has not yet been drilled, OPL 226 is currently an Oil Prospecting License. Upon the successful completion of the well and the commencement of extraction from the property, the Group will apply for an upgrade of its license to an Oil Mining License.

Geology

The Niger Delta is situated within the Gulf of Guinea and extends throughout the Niger Delta geological province. For the last 50 million years (Eocene to the present) the Niger Delta has built outward to the southwest and southeast, forming distinct belts of sand and shale deposition. These belts approximate the paleo shorelines and form one of the largest wave-dominated deltas in the world with an area of about 300,000 km².

As of the date of this AIF, the Niger Delta province contains only one identified petroleum system. This system is referred to as the "Tertiary Niger Delta (Akata – Agbada) Petroleum System". Most of the petroleum is located in fields located both onshore and offshore that are, generally, simple growth-fault controlled structures.

Geological Background

The Tertiary section of the Niger Delta is divided into three formations, representing pro-grading depositional facies that are distinguished on the basis of sand to shale ratios. The Akata Formation at the base of the delta is of marine origin and is composed of thick shale sequences that are potential source rocks, turbidite sands, and minor amounts of clay and silt. From the Paleocene through the Recent, the Akata Formation formed during lowstands when terrestrial organic matter and clays were transported to deep water areas characterized by low energy conditions and oxygen deficiency. This formation underlies the entire Niger Delta and is up to 7,000 m thick and is, typically, undecomposed and overpressured.

Deposition of the overlying Agbada Formation, the major petroleum-bearing unit, began in the Eocene and continues into the Recent. The formation includes belts of quartz-rich clastics that accumulated in delta-front, delta-topset, and fluvio-deltaic environments. During the Tertiary, these clastic belts overstepped each other into the Gulf of Guinea. The Agbada Formation is overlain by the Benin Formation, a continental (latest Eocene to Recent) deposit of alluvial and coastal plain sands and shales.

The depobelts of the Agbada Formation seems to be defined by synsedimentary faulting that occurred in response to variable rates of subsidence and sediment supply. The interplay of subsidence and sediment supply rates resulted in deposition of discrete depobelts. When further subsidence of the basin could no longer be accommodated, the focus of sediment deposition shifted seaward, forming a new depobelt. Each depobelt is a separate unit that corresponds to a break in regional dip of the delta and is bounded (landward) by growth faults and seaward by large counter-regional (antithetic) faults of the next growth fault of the next seaward belt.

On the Niger Delta, gravity "tectonism" became the primary deformational process. Shale mobility induced internal deformation and occurred in response to two processes. First, shale diapirs formed from loading of poorly compacted, overpressured, prodelta and delta-front clays of the Akata Formation by the higher density, delta-front sands of the Agbada Formation. Second, slope instability occurred due to a lack of lateral, basinward support for the under-compacted delta-slope clays of the Akata Formation.

For each given depobelt, gravity "tectonics" were completed before the deposition of the Benin Formation and are expressed in complex structures, including shale diapirs, growth fault-induced roll-over anticlines, collapsed growth fault crests, and steeply dipping, flank faults.

Petroleum Systems Evaluation

According to the USGS, there is one petroleum system in the Niger Delta basin that is comprised of the marine interbedded shale in the Agbada Formation and the marine Akata Formation shales. Volumetrically, it is estimated that the Akata shales are present beneath the Agbada Formation and have generated much of the oil for the Niger Delta.

These source rocks contain Type II kerogen with an average total organic carbon content of 2.2% but range up to 14.4%.

The physical and chemical properties of the oil in the Niger Delta are highly variable. The oil within the Niger Delta has an API gravity range of 16° to 40° API. Most oils fall within one of two groups. The first group are light, paraffin-based, waxy oils from deeper reservoirs. The second group of oil are biodegraded and from shallow reservoirs. They have a lower API gravity that averages 26° API. The concentration of sulfur in most oils is low, between 0.1% and 0.3%. ("The Niger Delta Petroleum System: Niger Delta Province, Nigeria, Cameroon, and Equatorial Guinea, Africa" USGS Open File Report 99-50-H, 1999).

Legal Framework and Process in Nigeria

Regulation of the Oil Industry

In the 1960s, government interest in the oil industry was limited to the collection of taxes, royalties and lease rentals. Many developing countries had begun to agitate for greater control over their natural resources in reaction to the continued control of their economies by the old colonial masters. In 1962, the *Resolution on Permanent Sovereignty over Natural Resources* was adopted by a majority of the General Assembly of the United Nations (the "Resolution"). The Resolution asserted that the right of people to freely use and exploit their natural wealth and resources is inherent in their sovereignty. In this spirit, in 1969 the *Petroleum Act* was enacted which vested the entire ownership and control of all petroleum in, under or upon all land or Nigerian territorial waters in the Nigerian government.

In 1971 Nigeria joined OPEC, which was formed to improve the lot of oil producing countries by adopting a "group" stance (all resolutions adopted are binding on every member).

In accordance with OPEC's 1968 and 1971 resolutions urging member countries to participate in oil operations by acquiring ownership in the concessions held by foreign companies, Nigeria's military government in 1971 established the Nigerian National Oil Corporation ("NNOC") by Decree. The NNOC was empowered to acquire any asset and liability in existing oil companies on behalf of the Nigerian government, and to participate in all phases of the petroleum industry. In that same year, the government acquired 33% and 35% of the operating interests of Agip Petroli S.p.A (a subsidiary of the multinational petroleum company ENI after acquisition of Agip in 2003) and Elf Aquitaine S.A. which was a French oil company that eventually merged with TotalFina S.A. to form TotalFinaElf S.A. and this new company ultimately changed its name to Total S.A. in 2003), respectively. Further acquisitions occurred in 1973 and 1974 in the operations of all the other foreign oil companies. (Nigerian Oil and Gas Industry Content Development Act, 2010).

Oil & Gas Law

The current regulatory climate of the oil and gas industry in Nigeria has largely been influenced by the passage of various laws and regulations that are administered by local, national and other government organizations representing the interests of state and country. Through these bodies, the Nigerian government regulates exploration and production of natural gas and crude oil as a result of the authority provided through the *Nigerian Constitution* and the *Petroleum Act* ("PA"), which vests the entire ownership and control of petroleum in the Nigerian government on behalf of the people of Nigeria.

Amongst the most notable government institutions are the Ministry of Petroleum Resources, NNPC and the Department of Petroleum Resources, which ensure that operations within the industry are regulated to a specific standard.

It is with great input from these bodies that various laws and regulations that directly and indirectly regulate the Nigerian oil and gas industry are implemented and monitored. These laws and regulations vary from those applying to the operational aspects, to the fiscal aspects, such as the PA, the *Petroleum Profits Tax Act*, the *Deep Offshore and Inland Basin Production Sharing Contract Act* and regulations which have been made pursuant to the PA, such as the *Petroleum (Drilling & Production) Regulations*, which regulate operational aspects of the drilling and production of crude oil.

With the objective of increasing indigenous participation in the oil and gas industry within the country, the government of Nigeria has enacted the *Nigerian Oil and Gas Industry Content Development Act 2010* (the "Local Content Act"). This has brought about a significant shift in the focus of companies operating within the country to improve indigenous participation in order to meet the Nigerian government's target of 70% use of indigenous labor, materials and resources in all oil and gas projects in country.

Even though the Local Content Act appears as if it was introduced to consolidate the notion of increasing indigenous participation, it should be noted that this concept has always been at the forefront of the Nigerian government's intention to implement. (Nigerian Content Law in the Oil and Gas Industry, KPMG, 2017)

EITI

Nigeria is a member of the EITI and has been a compliant member since 2011. The petroleum sector is dominated by joint venture operations between the Nigerian government and five major international oil companies – Shell, ExxonMobil, Chevron, ENI, and Total. The Nigeria EITI process has exposed outstanding debts by the national oil company to the Nigerian government, recovered uncollected taxes, identified weaknesses in the regulatory bodies, audited oil-related transfers to subnational government, estimated oil theft, and examined oil sales. Nigeria EITI has been effective in strengthening public debate and promoting policy options around signature bonuses, unpaid royalties, fuel subsidies, crude oil and refined products theft, and unpaid subsidies. (Nigeria Extractive Industries Transparency Initiative website Overview)

Geopolitical Information

In 2017, Nigeria has a population of approximately 193 million inhabitants and a population growth rate of 2.63%. 48.1% of the population lives in urban areas. The life expectancy for the general population at birth is 63.88 years. English is the official language of Nigeria, although Hausa, Igbo, and Yoruba languages are spoken by a significant portion of the population. Literacy (defined as those aged 15 or over who can read and write) is 69.2% for men and 49.7% for women. According to a 2014 study, 50.5% of the population is Christian, with Islam being the second greatest religion with 43.5% (95% Sunni Islam and 5% Shia Islam) with the remainder of the population belonging to traditional or other religions, or having no religion.

Based on the most recent United Nations Human Development Report, Nigeria's Human Development Index ("HDI"), a measure of health, education and income, was 0.532 in 2017, giving it a ranking of 157 out of 189 countries with comparable data. The HDI for sub-Saharan Africa as a whole was 0.475, placing Nigeria above the regional average.

Nigeria's GDP per capita for 2017 was estimated at US\$5,338, on a purchasing power parity basis (2018 Human Development Indices and Indicators – 2018 Statistical Update – UN Report)

In the Nigeria general elections held on February 23, 2019, incumbent President Muhammadu Buhari was re-elected by over 3 million votes over his opponent, Atiku Abubaker (www.bbc.com/news/world-africa).

Mozambique

Block PT5-B

In Mozambique, the Group is part of a consortium that has entered into final discussions regarding the awarding of a prospective onshore license (PT5-B) under the 5th licensing round. The Group's interest in Mozambique will be dependent on successful negotiation of a new PSC. The consortium will be invited to negotiate with the Government of Mozambique the terms of the PSC governing the block. These terms will include the acquisition of 1600 line km of 2D seismic. According to the Group's Mozambican partner, the Instituto Nacional de Petróleo ("INP") has finalized the Exploration Production Concession Contract ("EPCC") discussions with successful bidders as part of the fifth licensing round in 2014. On October 8, 2018, the INP announced that it had signed agreements with ExxonMobil and Rosneft for offshore blocks in the Rovuma Basin. INP signed an agreement with ENI (Ente Nazionale Idrocarburi) and Sasol for an offshore block in the Northern Zambezi Basin on October 18, 2018. The Group expects to enter into discussions with INP regarding onshore Block PT5-B in the first half of 2019. The ExxonMobil EPCC agreed model version will serve as the basis for future negotiations with all companies.

Overview of the Oil and Gas Industry in Mozambique

Development of the Oil Industry in Mozambique

Exploration for hydrocarbons in Mozambique goes back to 1904 when the early explorers discovered thick sedimentary basins onshore Mozambique. Poor technology and lack of funds halted those early exploration attempts.

From 1948 onwards international oil companies moved into Mozambique and carried out extensive exploration, mainly onshore with limited activity offshore. As a result, the Pande Gas Field was discovered in 1961 by Gulf Oil followed by the gas discoveries of Búzi (1962) and Temane (1967). Exploration activity declined in the early 1970's due to political unrest. New activity was established in the early 1980's with the enactment of law 3/81 and creation of ENH. In the following years extensive work was carried out to map and appraise the Pande Gas Field. A breakthrough was made in 1993 when it became clear that the Pande Gas Field could be mapped using direct hydrocarbon indicators from seismic data when it was demonstrated that the gas field could be mapped by an obvious bright spot (amplitude anomaly) at the top of the reservoir. The method was later also used to map the Temane Field with good result.

From 1970 to 1980 only six wild cat wells were drilling in Mozambique – three of them offshore and three of them onshore. An extensive drilling campaign conducted by Sasol in 2003, which included exploration and production wells in the Pande/Temane Block, allowed the expansion of gas reserves and the discovery of Inhassoro Gas Field, making a total of 5.504 Tcf (Instituto Nacional de Petróleo INP History, 2017).

Geology

According to the USGS in the "Assessment of Undiscovered Oil and Gas Reserves of the Mozambique Coastal Province, East Africa" (Michael E. Brownfield), the Mozambique Coastal Geological Province is directly related to the breakup of Gondwanaland in the late Paleozoic and Mesozoic. The geologic province developed in four phases: (i) a pre-rift stage in the Carboniferous when a mantle plume caused uplift, extension, rifting, and volcanism; (ii) a syn-rift stage during the Permo-

Triassic and continued into the Jurassic forming grabens and half-grabens with the deposition of lacustrine and continental source rocks; (iii) a syn-rift/drift phase that began in the middle Jurassic and continued into the Paleogene, depositing sediments of marine clastic rocks, carbonates, and source rock shales; and (iv) a passive-margin phase that began in the late Paleogene and continuing to the present day.

The opening of the Indian Ocean began in the Permian and continued into the Jurassic during the syn-rift stage. In the Middle Jurassic, Madagascar, India and north Mozambique separated from Africa and formed a passive margin and a carbonate platform which was later covered by Upper Jurassic to Cretaceous marine deposits. During the mid-Cretaceous the passive margin basin again became the site for deposition of open-marine sediments.

Geological Background

The Pande and Temane gas fields are located along the Uerema Graben of the East African Rift Zone. Gas saturated sands in the Upper Cretaceous-age Grudja Formation sandstones create amplitude anomalies at that stratigraphic level of the 2D seismic that have proven to be very accurate in determining the extent of these gas accumulations. This rift trend (Uerema Graben), that is adjacent to discovered and producing hydrocarbons, is the same trend of the East Africa Rift System that follows through Mozambique and Malawi to the Lake Albert Rift Basin wherein Tullow and Africa Oil have discovered 6.6 billion barrels of recoverable oil resources, to date. (Play by Play: The Great Rift Valley – Africa Oil & Power, February 2017) It should be noted that Block PT5-B is also situated within the Uerema Graben trend of the East Africa Rift System that is directly adjacent to the Pande Field.

Sasol Petroleum Mozambique became operator of the Pande Field in 2003. An extensive drilling campaign conducted by Sasol in 2003, including exploration and production wells in the Pande/Temane Block, allowed the expansion of gas reserves as well as the discovery of the Inhassoro Gas Field, making a proven reserves total of 2.6 trillion cubic feet. The porosity in the Grudja sands range from 29 to 33% and the water saturations range from 27 to 35%. Core samples indicate permeabilities ranging from 185 to 4000 millidarcies with an average net pay of nearly 9 m. Sasol drilled the Inhassoro-4 well in 2003 and discovered an oil leg under the gas cap in the lower zone (Campanian to Maastrichtian-aged) Lower Grudja sand. In 2007, they drilled the Inhassoro-6 well and discovered an oil leg under the gas cap in the upper portion of the Lower Grudja Formation, as well. In late 2011, Sasol drilled the Inhassoro-9z and put it on an extended well test in March 2012. The extended test flowed over 236,000 bbls of oil to the end of January 2013 (10 months). The average production during that time was over 650 bbls/d. The Inhassoro Oil Field was declared "commercial" in February 2013 (Geochemistry of Petroleum Gases and Liquids from the Inhassoro, Panda and Temane Fields, Onshore Mozambique in Geosciences, May 2017).

These Upper Cretaceous seismic amplitudes need to be mapped across the PT5-B Block. The Pande-Temane gas field may persist over this license. The Group is also interested in trying to map the structurally complex (and oil-prone) Lower Cretaceous (Domo) sands that may have trapped oil in this extensional "East Africa Rift System." Due to clay smear along the fault planes, we would expect to find structural/stratigraphic traps in a few different settings – similar to the traps discovered in the South Lokichar Basin of Kenya and Lake Albert trend in Uganda. The structurally complex area/trend evident on 2D seismic in the PT5-B Block (along with the Pande and Temane Gas Fields) is situated within the Uerema Graben and may represent the southernmost hydrocarbons discovered along the "East Africa Rift System."

Petroleum Systems Evaluation

Oil and gas generation for the Upper Jurassic source rocks began in the Early Cretaceous. Oil and gas generation for the Barremian to Aptian-age (post-rift) source rocks began in the Late Cretaceous. Generated hydrocarbons migrated into Cretaceous and Paleogene sandstone reservoirs. Hydrocarbon traps are structural within the syn-rift rock units and are both structural and stratigraphic traps in the post-rift rock units. The primary reservoir seals are both Mesozoic and Cenozoic mudstone and shale sequences. (Frontier Exploration Offshore the Zambezi Delta, Mozambique in Last Break, Volume 31, June 2013)

Legal Framework and Process in Mozambique

Regulation of the Oil Industry

The highlights of Mozambique's Gas Market Development Strategy (Resolution No. 64/2009 of 02 November) include: (i) royalty gas is to be reserved first for projects with a significant impact on national development; (ii) government regulation of the price of domestic gas for the benefit of final consumers; and (iii) promotion of the participation of national entrepreneurs in the nation's natural gas industry. The 2012 draft Gas Master Plan indicates that the aim of the Mozambique government is to develop natural gas resources in a manner that maximises the national interest by supporting both growth in domestic public and private sector institutional competencies and growth in domestic industry and businesses, especially small and medium

scale industries.

The stated aims of the Mozambique oil and gas laws are to increase employment across the country, especially in the less-developed provinces. Infrastructure expansion to support expanded economic activities, particularly in less-developed provinces, is encouraged. Expanded access to training and education is a necessary by-product from these activities. The goal is to improve the quality of life for the people of Mozambique, while minimising adverse social and environmental impact. To achieve this the Mozambique government is firmly committed to encouraging foreign investment in developing Mozambique's oil and gas industry, including the expansion of existing port and rail infrastructure as well as greenfield alternatives. (Natural Gas Master Plan 2014, INP (as defined below) website)

Oil and Gas Law

Petroleum and gas activity falls within the mandate of the Ministry of Mineral Resources ("MIREM"), represented by the National Petroleum Institute (*Instituto Nacional de Petróleo*) ("INP"), an operational entity of MIREM.

The central government authority responsible for environmental affairs is the Ministry for the Co-ordination of Environmental Affairs (*Ministério para a Coordenação da Acção Ambiental*) ("MICOA") through the National Directorate of Environmental Impact Assessment. MICOA is primarily responsible for defining government environmental plans and strategies. It also approves environmental impact assessments, which are the main mechanism through which the environmental aspects of oil and gas activity are managed, as well as overseeing their application in practice.

In addition to MICOA and INP, the National Marine Institute (*Instituto Nacional da Marinha*) ("INAMAR") is relevant for off-shore activities. INAMAR falls under the Ministry of Transport and Communication and is responsible for the marine environment. INAMAR's mandate includes developing regulations and taking the necessary measures to prevent, reduce and control marine pollution. (Petroleum Operations Regulations, 2015 – INP website)

EITI

Extractive industries accounted for 27% of the total revenue of the government of Mozambique in 2014. The gas sector contributed 90% of the over USD \$1 billion total extractives revenue. The largest revenue streams were capital gains tax (71%) and corporate income tax (19%) (Mozambique's Economic Outlook – Deloitte, December 2016). The value of gas royalties received in kind was USD \$5 million. Extractive revenues have increased nearly ten-fold since 2011. Mozambique was admitted to the EITI as a "compliant country" in late 2012. Expansion of the extractive sector has driven economic growth in recent years; however it is being hit hard by the fall in gas and coal prices. In addition to natural gas and coal, Mozambique has world-class reserves of base metals and gemstones. Petroleum companies and the government are negotiating building an liquid and natural gas plant in northern Mozambique. In the mining sector, there has been a downturn in the past couple of years. The distribution of benefits from the sector and ensuring that the state's participation in the sector is managed in a transparent and accountable manner are considered to be among the most important debates to which the EITI can contribute. (Mozambique EITI 2016-2018 Work Plan)

Geopolitical information

Mozambique borders Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and Swaziland. Its long Indian Ocean coastline (of 2,500 km) faces east to Madagascar. About 70% of its population of 30 million (2018) live and work in rural areas. It is endowed with ample arable land, water, energy, as well as newly discovered natural gas and mineral resources offshore; three, deep seaports; and a relatively large potential pool of labor. It is also strategically located, with four of the six countries it borders landlocked and hence dependent on it as a conduit to global markets. Mozambique's strong ties to the region's economic engine, South Africa, underscore the importance its economic, political, and social development to the stability and growth of Southern Africa as a whole (Mozambique's Economic Outlook – Deloitte, December 2016).

Mozambique's political landscape bears the scars from the 15-year civil war that followed independence from Portugal in the 1970s, leaving the country and its economy in ruins. The former rebel movements, the Front for the Liberation of Mozambique ("Frelimo") and the Mozambican National Resistance ("Renamo"), today remain the country's main political forces, followed by the Mozambique Democratic Movement ("MDM"). While Frelimo won the most recent presidential elections in 2014 and retains a comfortable majority in parliament, the two main opposition parties, Renamo and MDM, have both gained ground. Renamo has maintained armed militias and, from time to time, parts of the center of the country have witnessed active conflict between its residual militia and Mozambique's armed forces. Peace talks between the two parties have gathered momentum in 2017 when President Filipe Nyusi met Renamo leader, Afonso Dhlakama, in August 2017. Mozambique's next national election will be on October 15, 2019 (News24.com website – Maputo, Mozambique, November 4, 2018).

The Mozambican economy is showing some signs of recovery after a difficult 2016, which saw a sharp slowdown in growth and shocks to both the country's currency and to inflation. First quarter GDP growth in 2017 picked up to 2.9%, more than double the growth rate of the preceding quarter. The *metical*, which had been steadily depreciating in the first ten months of 2016, is now more stable. A strong monetary policy was key to this shift, which also helped inflation to slowly begin easing by mid-2017. Strengthening prices for coal, aluminum, and gas, a post-el Niño recovery in agriculture, and progress in the peace talks, could steer growth to 4.6% in 2017, and toward 7% by the end of the decade. Inflation remains very high at 18%, with direct implications for Mozambican households, and for monetary policy seeking to ensure a stable price environment. Monetary policy has remained tight and has supported a significant adjustment in the external sector. Mozambique's reference lending rate is now amongst the highest in sub-Saharan Africa, however, and average commercial bank lending rates in the region of 30% are prohibitively high for much of the private sector. A stronger exchange rate, easing inflation, and lower credit levels suggest that the monetary policy cycle could begin to loosen as the economy continues to adjust. However, making this transition smoothly will require a coordinated and robust fiscal policy response.

Analysts have provided positive medium-term fiscal and monetary trend projections and indicated that Mozambique is likely to offer investors a more stable macroeconomic environment in the medium to long term. With the particular grade of gas reserves in the country, the expectation of certain analysis is that the current debt crisis will be a relatively short-term challenge that will eventually be offset once liquid natural gas activity is re-ignited (Mozambique's Economic Outlook – Deloitte, December 2016). However, despite analyst projections, there can be no certainty as to Mozambique's ongoing economic strength or the stability of the business environment therein.

Mozambique's overarching development challenge is to translate its impressive performance in terms of economic growth to poverty reduction and improved development outcomes. While rapid growth and poverty reduction went largely hand-in-hand immediately after the civil war, the pace of poverty reduction slowed significantly after 2003.

A new wave of oil and gas exploration in Mozambique will see investments of at least US\$ 900 million, the country's mineral resources minister has reported. Speaking at a signing ceremony for Mozambique's new model offshore exploration agreements in October 2018, Minister of Mineral Resources Max Tonela said the new investment was a step towards Mozambique becoming a major hydrocarbons exporter (The Oil & Gas Year, October 9, 2018).

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is an international oil and gas exploration and development company that is currently focused in Africa. The following describes the Group's recent developments and developments during the past three years.

Three Year History

Year-Ended December 31, 2016

During the first half of 2016, the Corporation issued 101,066,868 units of the Corporation at a price of \$0.07 pursuant to a brokered private placement. These units were comprised of one Common Share and one Warrant, with each Warrant being exercisable for a period of 24 months from the date of issue and having an exercise price of \$0.095 per Common Share. The Corporation also issued 22,857,143 units of the Corporation at a price of £0.035 per unit pursuant to a non-brokered private placement. These units were comprised of one Common Share and one Warrant, with each Warrant being exercisable for a period of 24 months from the date of issue and having an exercise price of £0.0475 per Common Share. In connection with this non-brokered private placement, the Corporation also issued 1,177,114 broker's Warrants, each broker's Warrant being exercisable for a period of 24 months from the date of issue and having an exercise price of £0.035 per Common Share.

In May 2016, Aleksandra Owad CPA, CGA, FCCA (UK) replaced Kristin Obreiter, as the Corporation's Chief Financial Officer.

In September 2016, COPL announced that ShoreCan had completed the acquisition of 80% of the share capital of Essar Nigeria, thereby capturing its portion of Essar Nigeria's 100% interest and operatorship of OPL 226. Under the terms of the PSC governing OPL 226, Essar Nigeria is required to seek ministerial consent for the OPL 226 Transaction. Application was made and the parties to the OPL 226 Transaction are awaiting its approval. In 2016, an extension to the first phase of the PSC to December 31, 2017 was granted to Essar Nigeria.

In early November 2016, ShoreCan formally expressed its desire to exit its joint venture relationship respecting its interests in Namibia and, following a technical assessment of the exploration and economic potential of its interests, relinquished its interests in offshore blocks 1708, 1709, and 1808. Accordingly, US\$0.5 million of ShoreCan's E&E assets related to the Namibia project were written off as at December 31, 2016.

During late November and December 2016, ExxonMobil Liberia commenced drilling operations on the Mesurado-1 Well utilizing the Drillship Seadrill West Saturn. After the Mesurado-1 Well reached final total depth, no hydrocarbons were indicated by the logging while drilling operations were performed across the targeted intervals. As such, the operator advised the Corporation that no further logging operations would be conducted and the well would be plugged and abandoned and on December 27, 2016, the Drillship Seadrill West Saturn was released from service after drilling the Mesurado-1 Well.

Year-Ended December 31, 2017

In February 2017, during an operational meeting, ExxonMobil Liberia informed the Corporation that its team was continuing its evaluation of the Mesurado-1 Well drilling results and that further geological and geophysical analysis would be performed to re-evaluate other prospects on Block LB-13. In conjunction with this, the Group also performed a further analysis of seismic data of all Liberia prospects and leads.

For the purposes of funding its ongoing general and administrative expenses, during the second quarter of 2017, COPL completed a placement of 656,000,000 Common Shares at a price of £0.005 per Common Share to raise aggregate gross proceeds of £3.25 million. In connection with the placement, the Corporation also issued 39,000,000 broker's Warrants, exercisable at a price of £0.005 per Common Share until June 12, 2019.

In August 2017, the Corporation informed investors that it was continuing to source funds for its appraisal/development project, OPL 226, and, through various investment bankers, had been in discussions with a select number of oil traders, merchant banks and service providers. At the time of the announcement, discussions had been progressing well and the Corporation announced it hoped to have the process completed by the end of the third quarter of 2017. The Corporation's technical team was also continuing to perform geological and geophysical analysis on the rest of Block LB-13 in order to determine whether to proceed to the third exploration phase of its PSC in Liberia

To further supplement the funds needed to support the Group's ongoing general and administrative expenses, in October 2017, COPL completed a placement of 250,000,000 new Common Shares to UK investors at a price per share of £0.01 per Common Share, to raise gross proceeds of £2.5 million. In connection with this offering, a temporary restriction on transfer through CREST to the Corporation's Canadian share register for a period of four months and one day from the date was placed on the Common Shares. The Corporation paid a commission to Shore Capital Stockbrokers Limited of 4.9% of the gross proceeds from the placement and granted 15,000,000 Warrants, exercisable at a price of £0.01 per Common Share until October 16, 2019.

In November 2017, the Corporation announced that, in consultation with its partner in Block LB-13 offshore Liberia, the parties had elected not to enter into the third exploration period and accordingly, had surrendered their rights to the Block LB-13 license, resulting in the expiration of the related PSC effective September 25, 2017. In regards to OPL 226, the Group continued to work with its investment bankers to source the required funds for the project and advised that it had held numerous discussions with potential contractors and suppliers and intended to drill an appraisal well in early 2018.

Also in November 2017, the Corporation announced that its Board of Directors had approved a grant to the Group's directors, employees and consultants of 60,035,000 stock options under the Stock Option Plan, at an exercise price of \$0.015 per Common Share.

On December 15, 2017, the Corporation announced that through its 50% owned subsidiary, ShoreCan, it had been advised by the government of Mozambique that the Consortium had been indicatively awarded Block PT5-B in the fifth licensing round. The Consortium would be invited to negotiate with the government of Mozambique the terms of the PSC.

Also on December 15, 2017, in respect of its business interests in Nigeria, the Corporation further announced that Essar Nigeria, which is 80% owned by ShoreCan, had applied for an extension to the first phase of its PSC to allow for additional time for the requisite governmental approvals to be obtained. The Corporation also advised it had made progress towards raising funds to finance OPL 226.

Year-Ended December 31, 2018

In 2018, the Group continued to identify, evaluate and pursue exploration and development opportunities in African countries

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

On July 30, 2018, the Corporation announced that ShoreCan had received a non-legally binding project financing term sheet (which is subject to agreement on definitive documentation) for a minimum US\$30 million investment (to a maximum of US\$50 million) from the Mauritius Commercial Bank, Trafigura and the EFA Group in the form of a senior secured facility for deployment by ShoreCan into Essar Nigeria (the "Facility"). Specifically, the Facility would provide funding for all production related expenditures after the drilling and testing of the initial production well to be drilled by Essar Nigeria on OPL 226.

On August 16, 2018 and October 16, 2018 the Corporation announced that ShoreCan and Essar Mauritius, the owner of 20% of issued and outstanding shares of Essar Nigeria, are currently in dispute about whether the other party is in compliance with its obligations under the Essar Nigeria Shareholders Agreement. Essar Mauritius' asserted that ShoreCan has not commenced funding of the US\$80 million agreed cumulative funding in Essar Nigeria. ShoreCan has denied the claim and produced evidence of substantial expenditure to date. ShoreCan also alleged that any delay in securing mainstream long-term project funding is due in part to the failures of Essar Mauritius to comply with its obligations under the Essar Nigeria Shareholders Agreement. The Essar Nigeria Shareholders Agreement contains a dispute resolution process which ShoreCan has sought unsuccessfully to invoke. As at the date hereof, Essar Mauritius has not sought to terminate the Essar Nigeria Shareholders Agreement and no formal proceedings have been commenced by either party. As such, there has been no quantifiable impact to the Group's working capital or its operations. ShoreCan will vigorously contest any action by Essar Mauritius to terminate the Essar Nigeria Shareholders Agreement in the English courts which have jurisdiction over any formal dispute. The Directors are of the belief that ShoreCan has several valid defences and counterclaims to any such action.

On August 31, 2018, the Corporation raised gross proceeds of £3 million (US\$3.9 million) by way of placing of 895,523,000 Common Shares of no par value in the capital of the Corporation. The Corporation paid a commission to Shore Capital Stockbrokers Limited of 6.0% of the gross proceeds from the placement and granted 53,731,380 Warrants with an exercise price of £0.335 pence per broker's Warrant, expiring on August 30, 2020.

On September 19, 2018 the Corporation issued 59,134,890 Common Shares and on September 20, 2018 the Corporation issued 8,955,223 Common Shares at a price of £0.335 pence per Common Share for gross proceeds of approximately £0.1 million (US\$0.2 million). Of those shares issued 41,310,913 Common Shares were issued to Directors and employees of the Group and 26,779,200 Common Shares issued in respect of services provided to the Corporation in connection with the offering completed on August 31, 2018.

On October 2, 2018, the Nigerian National Petroleum Corporation ("NNPC") granted a conditional approval of a twenty four months extension for the Phase-1 exploration period until October 1, 2020. The extension is subject to certain conditions, including submission of a performance bond of US\$7 million that is required further to the Production Sharing Contract ("PSC"), to cover the Phase-1 exploration period work program at OPL 226. The Corporation is looking at providing security such that Essar Nigeria may post the requisite performance bond.

On October 30, 2018, the Corporation announced that the Common Shares would be delisted from the TSX Venture Exchange after the closing of trading on October 30, 2018 and that the Common Shares would thereafter be listed on the Canadian Securities Exchange ("CSE") commencing on the open of trading on October 31, 2018.

Recent Developments

In January 2019, the Group submitted a comprehensive report entitled "Oil Prospecting License 226, Offshore Nigeria – Exploration Period: Phase I and Phase II Work Program to the NNPC. While still awaiting ministerial consent from the government of Nigeria for the OPL 226 Transaction, the Group continues working on securing financing for its drilling obligations under OPL 226.

Agamore Dispute Update

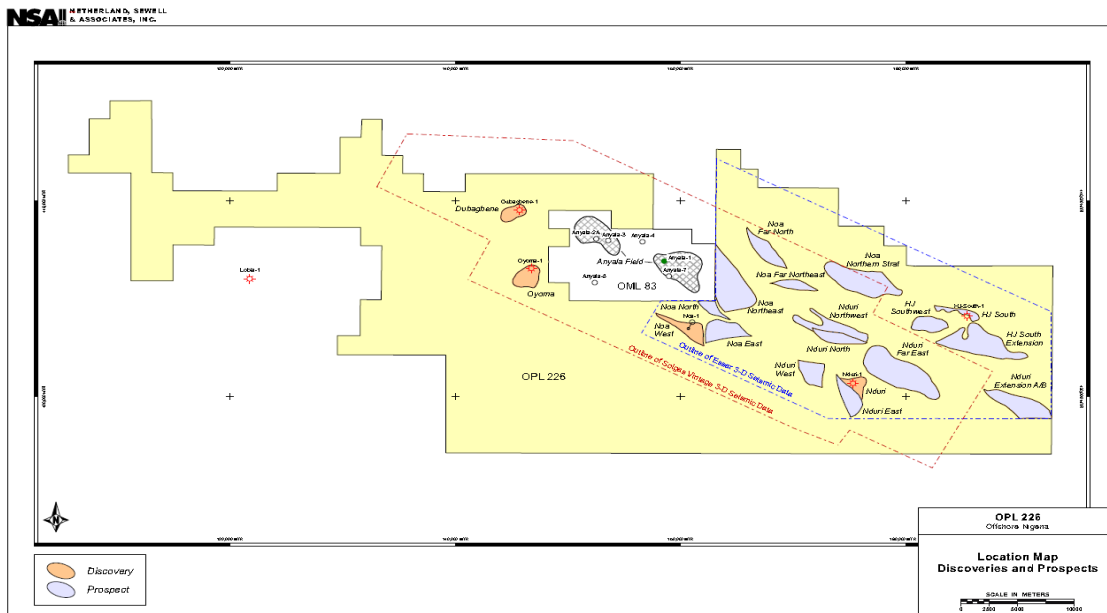
In 2010, Essar Nigeria entered into a Farm In Agreement (the "**Farm In Agreement**") with Agamore Energy Limited ("**Agamore**"), a private Nigerian company. Under the terms of the Agreement, Agamore was to receive a 37% participating interest in OPL 226 in return for the provision of certain services. Approval was sought from the Nigerian authorities for the transfer of the 37% interest to Agamore but it was declined on two occasions, given that: (i) Agamore did not provide the services to Essar Nigeria; and (ii) Essar Nigeria formed the view that Agamore was in material breach of the Farm-In Agreement. In March 2017, by way of written resolution, the directors of Essar Nigeria resolved to give to Agamore a formal notice of termination of the Farm-In Agreement.

On May 7, 2018, Essar Nigeria received information that, notwithstanding that the Farm-In Agreement provided for disputes to be pursued by way of arbitration held in London, Agamore had brought an action in the Nigerian courts against Essar Nigeria, ShoreCan (including two of ShoreCan's directors), the NNPC and the Nigerian Department of Petroleum Resources ("DPR"). In the summons filed, Agamore sought various declaratory orders and injunctions but did not seek any financial quantum of damages other than for costs incurred in relation to the litigation. Accordingly, the potential claim cannot be quantified. Essar Nigeria, ShoreCan and the Corporation consider the action to be without merit.

The claim was initially heard on June 5, 2018 where Agamore failed to appear. The claim was continued on June 29, 2018 where Agamore appeared but the case was again extended to September 5, 2018 as the judge noted a technical failure on part of Agamore to serve the action properly on one or more of the defendants. The NNPC and DPR have requested ShoreCan's lawyers represent them to seek dismissal of the action. On September 25, 2018, the case again called in court with the objecting to Shorecan's lawyers representing the NNPC and DPR and also with a motion to enjoin Canadian Overseas Petroleum Limited and the third Shorecan director of Essar Nigeria to the action. The case was continued to December 17, 2018 for the hearing of the motions including those recently enrolled. On March 7, 2019, the Court heard an application filed by Agamore's lawyers to disqualify the barrister from representing the fourth and fifth defendants. Counsel for ShoreCan responded claiming the motion had no evidential basis. The parties are expecting a ruling on the application on April 17, 2019. With all defendants including the Nigerian governmental agencies considering the action to be ill-founded, Essar Nigeria remains confident that the action will be dismissed in due course.

OIL AND GAS PROPERTIES

License Block OPL 226, Offshore Nigeria – 40% Interest through ShoreCan



OPL 226 has an area of 1,530 km² and is located approximately 50 km offshore the central delta region of Nigeria in water depths ranging from 40 to 180 m. It offers oil appraisal and development opportunities having near term oil production potential and significant exploration upside. Historically, five wells have been drilled, with the first oil discovery on Block OPL 226 made in 2001 in the fifth well after earlier drilling intersected predominantly gas-bearing sands.

Block OPL 226 is situated along a large growth fault-controlled structural complex, which the Corporation refers to as the "Noa Complex". Extensive seismic campaigns have been conducted on the block over the years with 1,750 km of 2D seismic, and approximately 1,300 km² of 3D seismic data acquired to date. ShoreCan has completed additional seismic processing to the most recent 568 km² 3D seismic survey acquired by Essar Nigeria in 2012. The advanced seismic processing techniques applied to this data set by ShoreCan were done to differentiate oil-bearing sands from gas and water bearing sands. These techniques were unavailable previously due to the poor quality and inappropriate parameters of the earlier seismic data sets. In addition, COPL Technical has been preparing for the eventual drilling of the first exploitation well on the Noa Complex by advancing cost estimates and contracting and tendering processes.

At the request of COPL, NSAI prepared the NSAI Report in accordance with NI 51-101 evaluating the contingent and prospective resources attributed to OPL 226, as at December 31, 2017. The results of the NSAI report were disclosed under Appendix A, Form 51-101F1 – Part 7 in last year's AIF (dated March 21, 2018). At the end of 2018, NSAI updated the report to include any potential changes. The disclosure of this latest report (dated March 28, 2019) and the calculated volumes are included in Appendix A.

License Block PT5-B, Onshore Mozambique – 28.5% Interest

The Group has been advised by the government of Mozambique that the Consortium, has been indicatively awarded rights to onshore Block PT5-B in the fifth licensing round. Together, the ShoreCan joint venture parties expect to hold a 57% interest in the Consortium and anticipate that the Group will act as operator in respect of the Block PT5-B project. The interest in Block PT5-B will be dependent on successful negotiation of a new PSC. The Consortium will be invited to negotiate with the government of Mozambique the terms of the PSC governing the Block PT5-B. These negotiations are expected to commence in the first half of 2019.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at December 31, 2018, there were 2,486,752,463 Common Shares outstanding. As at the date of this AIF, there were 2,486,752,463 Common Shares outstanding. There were no Preferred Shares outstanding as at December 31, 2018 or at the date of this AIF. As of the date of this AIF, there were 107,731,380 Warrants outstanding (including Warrants issued to the Corporation's agents and brokers).

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all meetings of Shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time. In the event of the liquidation, dissolution or winding-up of the Corporation, or any other distribution of assets among its Shareholders for the purpose of winding-up its affairs, holders of Common Shares, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a distribution, are entitled to share equally, share for share, in the remaining property.

Preferred Shares

In respect of the Preferred Shares, such shares are issuable in series and the Board may fix the number of such Preferred Shares in each series and the designation, rights, privileges, restrictions and conditions attached to each such series.

Warrants

The Warrants entitle the holder thereof to purchase one Common Share, for an exercise price set out in the terms of the agreements governing such Warrants. The Warrants have a weighted average exercise price of \$0.008 (US\$0.006) per Common Share and a remaining contractual life of between two and seventeen months from the date of this AIF and are described further in COPL's audited consolidated financial statements for the year ended December 31, 2018 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR at www.sedar.com.

Dividends

The Corporation has not declared or paid any dividends on its outstanding Common Shares. The Directors do not anticipate paying dividends in the near future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Corporation, the need for funds to finance ongoing operations and other considerations as the Board considers relevant.

RISK FACTORS

The risks and uncertainties discussed below are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or which the Corporation currently considers immaterial may also impair the business and operations of the Corporation and cause the value of the securities of the Corporation to decline. If any of the following risks actually occur, the Corporation's business may be harmed and the financial condition and results of operation of the Corporation

may suffer significantly. In that event, the trading price of the Corporation's Common Shares could decline and shareholders may lose all or part of their investment. Prospective investors should review the risks with their legal and financial advisors and should consider, in addition to the matters set forth elsewhere in this AIF, the following risks. An investment in the securities of the Corporation is suitable only for purchasers who are aware of such risks and who have the ability and willingness to accept the risk of total loss of their invested capital.

An investment in COPL should be considered speculative due to the nature of its activities and the present stage of its development. Investors should carefully consider the risk factors set forth below.

Risk Related to the Group's Business

Negative Operating Cash Flow

The Corporation has had negative operating cash flow in prior financial periods before the date of this AIF and will have negative operating cash flow until such time that sufficient cash flows from operating activities are generated based on the Corporation's success in developing the Group's producing assets. The Corporation's current general and administrative expenses total, on average, approximately US\$420,000 per month. This amount includes all current operating budget items (including office rental, telephones, insurance, supplies, travel costs and third party service providers), as well as salaries for the Group's staff. It is anticipated that the Group's general and administrative expenses will remain approximately at this level for the foreseeable future, not including project costs relating to specific projects. At current general and administrative cost levels and taking into account the Corporation's outstanding working capital, it is expected that the Group will be able to continue to fund its general and administrative costs for approximately one to two months, in the absence of access to additional capital or a further reduction of general and administrative costs in the interim. To mitigate this risk, the Corporation has been in discussions with certain shareholders and other organisations to obtain funding to meet ongoing obligations. In order to fund future capital, general, administrative and other expenditures, the Group will need to obtain additional capital through debt financing, equity financing, a combination thereof or such other means of financing as may be available to the Corporation or through the disposition of assets.

Going Concern

Currently, the Corporation and the Group do not have material cash inflows and/or adequate financing to develop profitable operations. The Group is pursuing exploration projects that, if successful, will require substantial additional financing before they are able to generate positive cash flows. Accordingly, the Group's planned growth and future development activities are dependent on its ability to obtain additional financing. There is no assurance that the Group will be able to obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Group. The Group currently does not have sufficient cash flows to cover forecasted administrative expenses for 2019. With no assurance that financing will be obtained in 2019, there is material uncertainty that casts substantial doubt on the Group's ability to continue as a going concern.

Possible Failure to Realize Anticipated Benefits of Acquisitions

COPL has acquired a 40% economic interest in OPL 226 through its 50% ownership in ShoreCan, and, subject to the successful negotiation of a PSC, the ShoreCan joint venture parties together expect to hold a 57% interest in respect of Block PT5-B in Mozambique. COPL may complete other acquisitions in the future with a view to strengthening its position in the oil and natural gas industry and to create the opportunity to realise certain benefits. Achieving the benefits of these acquisitions depends in part on factors outside of the Group's control.

The consideration and rationale for acquisitions is based in large part on engineering, environmental and economic assessments made by the Group, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which may be imposed. Many of these factors are subject to change and are beyond the control of the Group. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Although title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Group's title to certain assets or that environmental defects or deficiencies do not exist. Although the Group believes that the Agamore claims to a 37% interest in OPL 226 are without merit and will likely be set aside by Nigerian courts in due course, there can be no assurance that this will be the case. Such deficiencies or defects could result in a reduction of the value of an investment in the Corporation.

Economic Dependence

The Group's interest in Nigeria is dependent on the terms of the oil producing license of OPL 226 in offshore Nigeria; the terms of ShoreCan's acquisition of its interests in Nigeria and the terms of the Group's joint venture arrangements.

The Group's interest in Mozambique will be dependent on successful negotiation of a new PSC. The Consortium will be invited to negotiate with the Government of Mozambique the terms of the PSC governing Block PT5-B. Negotiations are expected to commence in first half of 2019.

Currently, the Group does not have material cash inflows and/or adequate financing to develop profitable operations. COPL is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive operating cash flows. Accordingly, the Group's continued successful operations and its ability to carry on its exploration and developmental activities and obligations in respect of Block OPL 226 and Block PT5-B, both now and in the future are and will be dependent on its ability to obtain additional financing.

Volatility of Crude Oil and Natural Gas Prices

The Group's plan is to explore for and/or appraise oil and gas properties that could then lead to eventual development. Crude oil and natural gas are commodities that are sensitive to numerous worldwide factors, many of which are beyond the Group's control, and are generally sold at contract or posted prices. Changes in world crude oil and natural gas prices may significantly affect the Group's results of operations and cash generated from operating activities. Consequently, such prices may also affect the value of the Group's oil and gas properties and the level of spending for oil and natural gas exploration and development.

The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of the Group's reserves, which may also impact potential financing sources. The Group might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Group's net production revenue. All of the Group's expenditures are subject to the effects of inflation and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation.

Crude oil prices are influenced by various reference prices, primarily Brent Crude. Adjustments are made to the reference price to reflect quality differentials and transportation. Reference prices are affected by numerous and complex worldwide factors such as supply and demand fundamentals, economic outlooks, production quotas set by OPEC and political events. Quality differentials are affected by local supply and demand factors.

Foreign Operations

The Group carries on its business in Nigeria, and plans to carry on its business in other foreign countries (including, but not limited to, Mozambique), where exploration for and exploitation, production and sale of oil and gas are subject to extensive laws and regulations, including complex tax laws and environmental laws and regulations. As such, the Group's business, prospects, financial condition or results of operations could be significantly affected by risks over which it has no control. These risks may include risks related to economic, social or political instability or change, government intervention relating to the oil and gas industry, expropriation, actions by terrorist or insurgent groups, war, civil unrest, security issues, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership or foreign investors, interpretation or renegotiation of existing contracts, government participation, taxation policies, including royalty and tax increases and retroactive tax claims, and investment restrictions, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties, government control over domestic oil and gas pricing, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to licences to operate and concession rights in countries where the Group currently operates, and difficulties in enforcing the Group's rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations. Problems may also arise due to the quality or failure of locally obtained equipment or technical support, which could result in failure to achieve expected target dates for exploration operations or result in a requirement for greater expenditure.

The Group does business in Nigeria, and plans to do business in other foreign countries (including, but not limited to Mozambique), with inherent risks relating to fraud, bribery and corruption

Fraud, bribery and corruption are more common in some jurisdictions than in others. The Group plans to carry on its business in certain jurisdictions that have been allocated low scores on Transparency International's "Corruption Perceptions Index". Doing business in international developing markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. In addition, the oil and gas industries have historically been shown to be vulnerable to corrupt or unethical practices.

The Group uses its best efforts to prevent the occurrence of fraud, bribery and corruption, but it may not be possible for the Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The Group may therefore be subject to civil and criminal penalties and to reputational damage. Participation in corrupt practices, including the bribery of foreign public officials, by the Group, its subsidiaries or other predecessors in interest, whether directly or indirectly (through agents or other representatives or otherwise) may also have serious adverse consequences on the rights and interests of the Group, including but not limited to title to government contracts, licenses and concessions, including PSCs.

Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Group operates, could have a material adverse effect on its business, prospects, financial condition or results of operations. In addition, as a result of the Group's anti-corruption training programs, codes of conduct and other safeguards, there is a risk that the Group could be at a commercial disadvantage and may fail to secure contracts within jurisdictions that have been allocated a low score on Transparency International's "Corruption Perceptions Index" to the benefit of other companies who may not have or comply with such anti-corruption safeguards.

Permits, Licences, Approvals and Authorizations

The operations of the Group require permits, licences, approvals and authorizations from various governmental and non-governmental authorities. Such permits, licences, approvals and authorizations are subject to the discretion of the applicable governmental and non-governmental authorities. The Group must comply with existing standards, laws and regulations, as applicable that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. By way of example, the Department of Petroleum Resources in Nigeria takes the view that ShoreCan's acquisition of 80% of the issued share capital of Essar Nigeria, requires ministerial consent in order to effectively transfer the interest in OPL 226 owned by Essar Nigeria. An application for ministerial consent has been filed and ShoreCan is awaiting the outcome, which the Directors believe consent will be forthcoming. There can be no assurance that the Group will be able to obtain all necessary permits, licences, approvals or authorizations. Failure to obtain such licences, permits, approvals or authorizations may have a material adverse effect on the Group's business, prospects, financial condition or results of operations. The Group's intended activities will be dependent on such permits, licences, approvals and authorizations which, if obtained, could subsequently be withdrawn or made subject to limitations. Failure to obtain Nigerian ministerial consent for the OPL 226 Transaction could result in ShoreCan being required to dispose of its shares in Essar Nigeria, although the Directors believe they might also have a range of other options to satisfy any ministerial concerns about OPL 226, such as bringing in another farm-in partner. There can be no guarantee as to the terms of any such permits, licences, approvals and authorizations that future permits, licences, approvals and authorizations will be renewed or, if so, on what terms when they come up for renewal. Properties in the jurisdiction in which the Group currently carries on business are subject to licence requirements, which generally include, inter alia, certain financial commitments which, if not fulfilled, could result in the suspension or ultimate forfeiture of the relevant licences. Government action, which could include non-renewal of licences, may result in any income receivable by the Group or licences held by the Group being adversely affected. In particular, changes in the application or interpretation of laws and/or taxation provisions in the regions in which it carries on business could adversely affect the value of the Group's interests.

Changes in government policy could have a negative impact on the Group's business

Governments of oil and gas producing jurisdictions typically exercise significant influence over their domestic oil and gas industries, as well as many other aspects of their respective economies. Government policy may change to discourage foreign investment or restrictions and requirements not currently foreseen may be implemented. There can be no assurance that the Group's assets and properties will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, the Group's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property or environmental legislation. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts or oil and gas exploration policy, laws or practice), could have a material adverse effect on the Group. Sovereign or regional governments could also require the Group to grant to them larger shares of oil and gas or revenues than previously agreed to, or postpone or review projects, nationalize assets, or make changes to laws, rules, regulations or policies, in each case, which could adversely affect the Group's business, prospects, financial condition or results of operations.

"Resources" vs. "Reserves"

The Group currently has no reserves. Throughout this AIF, the Group has attempted to provide an appreciation of the potential that the Group's asset base offers. In doing so, the Group often uses the terms "resource" or "resources". These terms refer to the estimated original resource size of a particular prospect and it should be distinguished from reserves. Reserves are the amount of hydrocarbons that are estimated to be economically recoverable from a particular resource base from a given date forward. Ultimate recoverable reserves can range widely depending on resource characteristics, available technologies and

economic and contractual parameters.

Estimates of Resources

The resources estimates presented in the NSAI Report have been classified as contingent and prospective resources. The resources estimates in the NSAI Report are estimates only. There is no certainty that any portion of the prospective resources will be discovered. Additionally, there is no certainty that it will be commercially viable to produce any portion of the contingent resources or, if discovered, any portion of the prospective resources. Investors are cautioned that the quantities presented are estimates only and should not be construed as being exact quantities. The Group's proposed exploration programme must be considered as a high risk exploration play.

Status and Stage of Development

The Group currently has no production. There can be no assurance that any of the Group's properties will commence production, generate earnings, operate profitably or provide a return on investment in the future.

There is a risk that none of the proposed exploration, appraisal or development of the Group's assets will be completed on time or within the applicable capital cost estimates or at all. Additionally, there is a risk that proposed projects may experience delays, interruption of operations or increased costs due to many factors, including, without limitation:

- breakdown or failure of equipment or processes;
- construction performance falling below expected levels of disruptions or declines in productivity;
- design errors;
- contractor or operator errors;
- non-performance by third party contractors;
- labour disputes;
- disruptions or declines in productivity;
- increases in materials or labour costs;
- inability to attract sufficient numbers of qualified workers;
- delays in obtaining, or conditions imposed by, regulatory approvals;
- changes in project scope;
- violation of permit requirements;
- disruption in the supply of energy and other inputs, including natural gas and diluents;
- catastrophic events such as fires, earthquakes, storms or explosions; and
- numerous factors, many of which are beyond the Group's control, could impact the Group's ability to explore and develop these assets and the timing thereof, including the risk factors set forth elsewhere in this AIF.

Reliance on Key Individuals

Although the Group has experienced senior management and personnel, the Group is substantially dependent upon the services of a few key personnel. The loss of services of these individuals could have a material adverse effect on the business of the Group. Competition for qualified personnel in the oil and gas industry markets is intense, and the Group may be unable to attract or retain highly qualified individuals, or its key personnel, in the future. The rate of growth of the Group's operations and personnel may strain operating and control systems.

Insurance

Oil and gas operations will be subject to the risks normally associated with the operation and development of oil and natural gas properties and the drilling of offshore oil and natural gas wells, including encountering unexpected formations or pressures, blowouts, cratering and fires, all of which could result in personal injuries, loss of life and damage to the property of the Group and others. In accordance with customary industry practice, the Group may not be fully insured against all of these risks, nor are all such risks insurable. The Group intends to maintain an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blow-outs and destruction to the environment.

Marketability of Crude Oil and Natural Gas

The marketability and price of oil and natural gas will be affected by numerous factors beyond the control of the Group. The Group will be affected by the differential between the price paid by refiners for light quality oil and the medium grades of oil which may be produced by the Group. The ability of the Group to market its oil and natural gas may depend upon its ability to acquire access to production facilities and space on pipelines. The Group will also be subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its reserves to pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Availability of Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling equipment in the particular areas where such activities will be conducted as well as production equipment, such as pipe for pipelines, manifolds, valves, compressors and other equipment, which may be unavailable or subject to long lead times between order and delivery. Similarly, installation of production equipment and operation of drilling rigs offshore is highly dependent on a wide range of service providers, many of which are in limited supply. Demand for such limited equipment, access restrictions and availability of service providers may delay exploration, development and production activities.

Nature of Reserves and Additional Funding Requirements

Obtaining future production from proven undeveloped, probable and possible reserves, and the development of properties where oil is discovered, are each conditional on the availability of additional financing to fund the specific capital expenditures necessary to develop the reserves or develop the properties. Such additional financing may not be available in the near term or, if available, may not be available on favourable terms. The ability of the Group to arrange such financing in the future will depend in part upon the prevailing capital market conditions. There can be no assurance that the Group will be successful in its efforts to arrange additional financing in the near term. If adequate funds are not available, the Group may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Project Risks

The Group may manage in the future a variety of prospective small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. The Group's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the Group's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of, and demand for, oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

As a result of these factors, the Group could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Third Party Credit Risk

The Group may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Group, such failures may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, poor conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Group's ongoing capital programme, potentially delaying the programme and the results of such programme until the Group finds a suitable alternative partner.

Operating Hazards and Other Uncertainties

Acquiring, developing, exploring for and producing oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, craterings, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions and environmental risks. Should the Group be successful at acquiring properties, it will maintain insurance in accordance with customary industry practice, though the Group cannot fully insure against all of these risks. Losses resulting from the occurrence of these risks could have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations.

Competition

The oil and gas industry is highly competitive, particularly as it pertains to the search for and development of, new sources of crude oil and natural gas reserves, the construction and operation of crude oil and natural gas pipelines and facilities, and the transportation and marketing of crude oil, natural gas, sulphur and other petroleum products. Competitors include major integrated oil and gas companies and numerous other independent oil and gas companies, many of which have greater financial and other resources than the Group. The oil and natural gas industry is intensely competitive and the Group must compete in all aspects of its operations with a substantial number of other companies which may have greater technical or financial resources.

The Group competes for the acquisition, exploration, production and development of oil and natural gas properties, for capital to finance such activities and for skilled industry personnel and the Group's competitors include companies that have greater financial and personnel resources available to them. The Group's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The Group's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators, and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. Hiring and retaining technical and administrative personnel continues to be a competitive process. To meet this challenge, the Group provides opportunities for existing and prospective consultants and employees to participate in the equity of the Group. The Group believes its competitive advantage is its scientific, integrated approach to successfully identify desirable drilling prospects.

Joint Property Ownership

It is common for more than one company to have an equity stake in a license or a project, as is the case with the Group's interest in OPL 226 and intended interest in Block PT5-B. With respect to OPL 226, the Group through its joint venture company owns shares in the licence holders and has entered into the Essar Nigeria Shareholders' Agreement to set out the rights, duties and understandings of the Group and its partners and to govern the expectations for how the project will be carried out. In respect of Block PT5-B presently there is a joint bidding agreement in place which in time will be superseded by a joint operating agreement between the members of the Consortium and the government agency involved in the licence. It is anticipated that the Group will act as operator of Block PT5-B following negotiation of the terms of a PSC with the Government of Mozambique and the other Consortium participants, who will be non-operating participants. The Group and its respective partners may experience differences of opinion on topics such as geological interpretation, timing for actions, financial resources and commitments and preferred courses of action. While a lack of consensus on these matters could delay plans and/or revenue generated by these properties, the relevant joint venture agreements and/or shareholders' agreements go some way in mitigating these consequences by providing a mechanism for dispute resolution.

Dispute with Essar Mauritius

In the case of the current disagreement between ShoreCan and Essar Mauritius about the parties' respective compliance with the terms of the Essar Nigeria Shareholders Agreement, although no formal proceedings have been commenced by either party, if the disagreement escalated and formal proceedings were commenced, the Essar Nigeria Shareholders Agreement provides that if the other party commits a material breach of the agreement, the innocent party is entitled to terminate the shareholders agreement. In the event that the agreement is properly terminated, the innocent party has the further right to require the defaulting party to sell its shares to the innocent party at either the price offered by the innocent party or at another price with reference to the fair market price of the shares as determined by an internationally recognised investment bank. The Essar Nigeria Shareholders Agreement does not provide a timeframe for either the appointment of the investment bank or the determination of the fair price. Once a fair price is determined the parties would have 60 days thereafter to close the sale of the shares subject only to the receipt of any necessary regulatory approvals. If the sale could not be completed within 180 days of such fair price being determined the sale process would be voided.

Access to Production Facilities

Offshore Africa is a large geographical area and with the exception of only a few countries, is only lightly explored. In addition, offshore oil and gas developments are typically substantially more expensive than onshore developments because of the nature of weather offshore, transportation challenges, and the inherent difficulties of installing and servicing equipment on the ocean floor especially in deeper water areas. Severe weather conditions can result in delays and increased costs of the projects.

Global Financial Instability

In the autumn of 2007 and again in 2008, a severe crisis in some of the world's largest banks and other financial institutions led to sharp contractions in the availability of credit for debt financing in the years that followed. A number of banks and

financial institutions around the world either failed or required massive government bailouts to continue operating, including several major banks in the US and the UK. The crisis ushered in a severe recession across the globe that also led to a sharp drop in the price of oil. Similar shocks to the global financial system could again increase the volatility of commodity prices and adversely impact oil companies' revenues and ability to access debt and equity financing. Any such occurrence may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Group cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Interest Rate Cash-Flow Risk

Floating rate debt may be used to finance development activities, if it is available in the future. The floating rate debt obligations would expose the Group to changes in interest payments due to fluctuations in interest rates.

Geo-Political Change

The marketability and price of oil and natural gas that may be acquired or discovered by the Group is, and will continue to be, affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East, and other areas of the world, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Group's net production revenue.

In addition, the Group's oil and natural gas properties, future wells and facilities could be subject to a terrorist attack. If any of the Group's properties, wells or facilities are the subject of a terrorist attack it may have a material adverse effect on the Group's business, prospects, financial condition or results of operations. The Group will not have insurance to protect against the risk of terrorism.

Joint Venture Risks

The Corporation has entered into a joint venture arrangement with Shoreline to form ShoreCan. Pursuant to the terms of that arrangement, the Corporation may have a lesser degree of control over the joint venture that may expose the Corporation to additional operational, financial, compliance and legal risks.

Generally:

- (a) the Corporation (or relevant person) may be dependent on the joint venture counterparty for capital, product distribution, local market knowledge, or other resources;
- (b) the Corporation's (or relevant person's) ability to exercise management control or influence over the joint venture and the success of its investments in it will depend on the cooperation between the joint venture participants and the terms of the joint venture agreement, which allocates control among the joint venture participants;
- (c) if the Corporation (or relevant person) is unable to effectively manage the joint venture; and/or
- (d) the joint venture counterparty fails to meet its obligations under the joint venture arrangement, encounters financial difficulty, elects to alter, modify or terminate the relationship, or a joint venture does not comply with local legislation or regulations,

the Corporation (or relevant person) may be unable to achieve its objectives and its results of operations may be negatively impacted.

Cyber Attacks or Terrorism

The Corporation may be threatened by problems such as cyber-attacks, computer viruses, or terrorism that may disrupt operations and harm operating results. While the Corporation expects that the probability of a targeted attack is low, security measures have been implemented to protect the Corporation's information technology systems and network infrastructure. Despite the implementation of security measures, technology systems may be vulnerable to disability or failures due to hacking, viruses, acts of war or terrorism, and other causes. Additionally, the Corporation is reliant on third party service providers for certain information technology applications. While the Corporation believes that these third party service providers have adequate security measures, there can be no assurance that these security measures will prevent any cyber events or computer viruses from impacting the Corporation. If the Corporation is unable to recover from such cyber events in a timely way, the

Corporation might be unable to fulfil critical business functions, which could have a material adverse effect on the business, financial condition, and results of operations.

The Corporation may be required by regulators or by the future terrorist threat environment to make investments in security that cannot be predicted. The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect the Group's business and results of operations.

Risks Related to the Group

Operating in African Countries

The Group carries on business principally in African countries such as Nigeria and intends to carry on business in other African countries in the future, including, without limitation, Mozambique. Social, political and economic conditions in Africa are in varying stages of development and are volatile. Volatility may be caused, without limitation, by the following:

- significant governmental influence over many aspects of local economies;
- unexpected or radical changes in legislation, regulatory requirements, labour conditions or other government policies, and changes in interpretations or enforcement of existing laws or regulations;
- governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region;
- changes in tax laws and conflicting national or local interpretations of tax laws;
- political, social and economic instability, terrorism, war and civil disturbances;
- damage to equipment or violence directed at employees, including kidnapping;
- lack of law enforcement;
- imposition of trade barriers;
- wage and price controls;
- foreign currency fluctuations and devaluation;
- restrictions on currency conversion and repatriation;
- renegotiation, nullification, or unilateral termination of concessions, licences, permits and agreements by government-owned entities;
- seizure, expropriation or nationalization of assets or industries;
- difficulty in collecting international accounts receivables;
- changing political conditions;
- solicitation by government officials for improper payments or other forms of corruption;
- regional economic downturns;
- inflation and adverse economic conditions stemming from governmental attempts to reduce inflation, such as the imposition of higher interest rates; the burden of complying with multiple and potentially conflicting laws; and
- other forms of governmental regulation and economic conditions that are beyond our control.

This volatility could create difficulty for the Group in executing its business strategy, which could have a material adverse effect on its business and financial performance. These factors may impact on the profitability and viability of the Group's business in these countries.

Tax regimes in the jurisdictions in which the Group operates are subject to differing interpretations and are subject to change

Tax regimes in the jurisdictions in which the Group operates can be subject to differing interpretations and are often subject to legislative change and changes in administrative interpretation in those jurisdictions. The interpretation by the Corporation's relevant subsidiaries of relevant tax law as applied to their transactions and activities (including farm-ins and farm-outs) may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities and any profits of the Corporation's subsidiaries from activities in those jurisdictions may be assessed to additional tax or additional transactional taxes (e.g. stamp duty or VAT), which, in each case, could result in significant additional taxes, penalties and interest, any of which could have a material adverse impact on the Group's business, prospects, financial condition or results of operations.

Foreign Currency Exchange Risk

A significant amount of the Group's proposed activities will be transacted in or referenced to various currencies including Canadian dollars, US dollars and pounds sterling. As a result, fluctuations in currencies could result in unanticipated fluctuations in financial results, which are denominated in US dollars. The Group will manage a portion of its exposure to

fluctuations in exchange rates, however, there can be no assurance that such management will fully offset the fluctuations.

Governmental Regulation

The industry in which the Group operates is subject to regulation, intervention and certain approvals by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. As well, governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for natural gas and crude oil, increase costs and may have a material adverse effect on the Group.

Environmental Regulations

Offshore oil and gas operations in which the Group is or may in the future be involved with in other foreign jurisdictions, are subject to stringent environmental laws and regulations. These laws and regulations generally require the Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling production facilities, and decommissioning and remediating damage caused by the disposal or release of specified substances. The Group intend to operate in a manner intended to ensure that its projects meet appropriate environmental standards. There can be no assurance that application of existing environmental laws and regulations will not have a material adverse effect on future financial conditions or results of operations.

It is expected that other changes in environmental legislation may also require, among other things, reductions in emissions to the air from operations and could result in increased capital expenditures. Although the Group does not expect that future changes in environmental legislation will result in materially increased costs, such changes could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the Group's financial condition or results of operations.

Climate Change

In December 2015, 197 countries that were members of the United Nations Framework Convention on Climate Change met in Paris, France and signed the Paris Agreement on climate change. The stated objective of the Paris Agreement is to hold "the increase in global average temperature to well below 2° Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5° Celsius". The countries which agreed to the Paris Agreement committed to meeting every five years to review their individual progress on greenhouse gas emissions reductions and to consider amendments to non-binding individual country targets. These countries are required to report and monitor their greenhouse gas emissions, though the implementation of such reporting and monitoring has yet to be determined. The Paris Agreement also contemplates that by 2020 the parties thereto will develop a new market-based mechanism related to carbon trading, which is expected to be based largely on lessons learned from the Kyoto Protocol.

Many countries are developing country-wide approaches to implementing the Paris Agreement. The Corporation is unable to predict the impact of the Paris Agreement on its operations. It is possible that mandatory emissions reduction requirements may have a material adverse effect on the Corporation's financial condition, results of operations and cash flow.

In May of 2017, the Canadian Environment and Climate Change Minister announced formal regulations to reduce fugitive and venting emissions of hydrocarbons, including methane, from Canada's upstream oil and gas sector. These regulations form part of the Pan-Canadian Framework on Clean Growth and Climate Change to reduce methane emissions by 40 to 45 percent by 2025. The proposed regulations would impose both general requirements and requirements that depend on a facility producing and receiving at least 60,000 m³ of hydrogen gas in a year. Depending on the standard, the proposed regulations are expected to come into force on either January 1, 2020 or January 1, 2023.

The Group's proposed exploration activities and production activities will emit greenhouse gases and require the Group to comply with greenhouse gas emissions legislation and policy. The direct or indirect costs of these regulations may have a material adverse effect on the Group's business, prospects, financial condition or results of operations. The future implementation or modification of greenhouse gases regulations, whether to meet the limits required by the Paris Agreement, Kyoto Protocol, the Copenhagen Accord, the proposed Canadian regulations or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including those of the Group. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Group and its operations and financial condition.

Market Access Constraints and Transportation

Any production resulting from the Group's projects will need to be transported to market. Disruptions in, or restricted availability of, pipeline service and/or marine or rail transport, could adversely affect crude oil and natural gas sales from the markets in which we operate, projected production growth, upstream or refining operations and cash flows.

Interruptions or restrictions in the availability of adequate transportation systems, or the interruption of existing transportation systems, may limit the ability to deliver production volumes and could adversely impact commodity prices, sales volumes and/or the prices received for any products we may produce. Upon commencing any production, we will need to rely on local infrastructure and the availability of transportation for storage and shipment of our products. This infrastructure, including storage and transportation facilities, is less developed than that in North America and may be insufficient for our needs at commercially acceptable terms in the localities in which we operate. Further, in Nigeria, we will operate offshore and must rely on helicopters, boats or other transportation methods. Some of these transport methods may result in increased levels of risk and could lead to operational delays which could affect our ability to add to our resource base or produce oil, or serious injury or loss of life and could have a significant impact on our reputation or cash flow. Additionally, some of this equipment is specialized and may be difficult to obtain in our areas of operations, which could hamper or delay operations, and could increase the cost of those operations.

Insufficient transportation infrastructure for our potential production will impact our ability to efficiently access end markets. This may negatively impact our financial performance by way of higher transportation costs, wider price differentials, lower sales prices at specific locations or for specific grades of crude oil, and, in extreme situations, production curtailment.

Country Specific Political Risk – Nigeria

After independence in 1960, Nigerian politics was marked by coups and mostly military rule, until the death of a military head of state in 1998 allowed for a political transition. In 1999, a new constitution was adopted and a transition to civilian government was completed. The government continues to face the task of institutionalising democracy and reforming a petroleum-based economy.

Nigeria continues to experience longstanding ethnic and religious tensions and although both the 2003 and 2007 presidential elections were marred by significant irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. However Nigeria remains a difficult market for the foreseeable future primarily as a result of bureaucracy, corruption and difficulty accessing power. Security challenges are an additional inhibition with Boko Haram insurgency in the North and instability in the Niger Delta region in the South. Despite efforts to diversify, the Nigerian economy is still significantly over dependent on oil, which provides 75% of government revenues and 95% of export revenues.

In the Nigeria general elections held on February 23, 2019, incumbent President Muhammadu Buhari was re-elected by over 3 million votes over his opponent, Atiku Abubaker (www.bbc.com/news/world-africa).

Country Specific Political Risk – Mozambique

Mozambique's political landscape bears the scars from the 15-year civil war that followed independence from Portugal in the 1970s, leaving the country and its economy in ruins. The former rebel movements, the Front for Liberation of Mozambique (Frelimo) and the Mozambican National Resistance (Renamo), today remain the country's main political forces, followed by the Mozambique Democratic Movement (MDM). While Frelimo won the most recent presidential elections in 2014 and retains a comfortable majority in parliament, the two main opposition parties, Renamo and MDM, have both gained ground. Renamo has maintained armed militias and from time to time parts of the center of the country have witnessed active conflict between its residual militia and Mozambique's armed forces. Peace talks between the two parties gathered momentum in 2017 when President Filipe Nyusi met Renamo leader, Afonso Dhlakama, in August 2017. Mozambique's next national election will be on October 15, 2019 (News24.com website – Maputo, Mozambique, November 4, 2018).

Risks related to the Purchase of Common Shares

Share Price Volatility

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Group's control, including the following: (i) actual or anticipated fluctuations in the Corporation's quarterly results of operations; (ii) actual or anticipated changes in oil and natural gas prices; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation; (v) addition or departure of the Group's executive officers and other key personnel; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Group or its competitors; and (viii) news reports relating

to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Group's industry or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

As well, certain institutional investors may base their investment decisions on consideration of the Corporation's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the Group's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Discretion in the Use of Proceeds

The Corporation intends to use proceeds of any offerings of securities in the manner described in the offering document for the offering. However, there may be circumstances where, in the judgement of management of the Corporation, a different use of such proceeds is in the best interests of the Corporation. The Corporation has discretion concerning the use of the proceeds of any offerings of securities completed by the Corporation, as well as the timing of the expenditure of such proceeds. As a result, purchasers of such securities will be relying on the judgment of the Corporation for the application of the proceeds of any offerings of securities once completed. The Corporation may use the net proceeds of any offerings in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Corporation's operations may suffer.

Liquidity of the Common Shares and realization of investment in Common Shares

Investors and potential investors should be aware that the value of the Common Shares and income from the Common Shares can go down as well as up, and that there may not be a liquid market in the Common Shares.

An investment in the Common Shares may thus be difficult to realise. The ability of an investor to sell Common Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise on their investment in the Corporation and they may lose all their investment. In the event of a winding-up of the Corporation, the Common Shares will rank behind any liabilities of the Corporation and therefore any return for Shareholders will depend on the Corporation's assets being sufficient to meet prior entitlements of creditors.

Dividends

The Corporation has never declared or paid any cash dividends on its Common Shares. The Corporation currently intends to retain future earnings, if any, for future operations, expansion and/or debt repayment, if necessary. The Directors do not anticipate paying dividends in the near future. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Corporation's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may consider relevant.

In addition to the foregoing, the Corporation's ability to institute and pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Group may incur in the future including the terms of any credit facilities the Group may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends (excluding stock dividends) to any of its shareholders or returning any capital (including by way of dividend) to any of its shareholders.

As a result of the foregoing factors, purchasers of Common Shares may not receive any return on an investment in Common Shares held or purchased by them unless they sell such Common Shares for a price greater than that which they paid for it.

Dilution and Further Sales

The Group may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Group which may be dilutive.

There are no restrictions on the Corporation issuing or selling Common Shares (or Preferred Shares) other than those pursuant

to applicable securities laws and stock exchange policies. The sale of a substantial number of the Common Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares and negatively impact the Corporation's ability to raise equity capital in the future.

MARKET FOR SECURITIES

The outstanding Common Shares are listed and posted for trading on the LSE under the symbol "COPL" and on the CSE under the symbol "XOP". The Corporation moved its listing from TSXV to the CSE on October 31, 2018.

Trading Price and Volume

The following table sets forth the price range and trading volume of the Common Shares as reported by the LSE for the periods indicated:

Month	Common Shares		Volume
	High £	Low £	
<u>2018</u>			
January	0.00789	0.00560	342,274,743
February	0.00750	0.00600	186,074,026
March	0.00700	0.00450	243,695,721
April	0.00575	0.00431	162,843,257
May	0.00845	0.00443	430,489,769
June	0.00595	0.00453	244,504,411
July	0.00900	0.00423	419,761,276
August	0.00683	0.00315	1,143,886,187
September	0.00335	0.00255	315,294,373
October	0.00290	0.00208	673,167,245
November	0.00250	0.00240	430,974,959
December	0.00340	0.00264	554,232,887

The following table sets forth the price range and trading volume of the Common Shares as reported by the CSE and the TSXV for the periods indicated:

Month	Common Shares		Volume
	High \$	Low \$	
<u>2018</u>			
January	0.02000	0.01000	11,250,800
February	0.02000	0.01000	3,011,600
March	0.02000	0.01000	32,138,000
April	0.01000	0.01000	5,835,900
May	0.02000	0.01000	26,275,500
June	0.01000	0.01000	11,747,300
July	0.02000	0.01000	13,447,000
August	0.02000	0.01000	15,371,200
September	0.01000	0.01000	11,502,500
October	0.01000	0.00500	56,532,900
November	0.00500	0.00500	5,925,053
December	0.01000	0.00500	20,715,444

Prior Sales

Outlined below is a summary of the securities that COPL issued during the financial year ended December 31, 2018, which are not listed or quoted on a marketplace.

Type of Security	Date Issued	Number of Securities	Conversion/Exercise Price
Broker's Warrants	August 31, 2018	53,731,380	GBP 0.00335 (USD \$0.0043)

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings the Corporation or its subsidiaries is or was a party to, or that any of its property is or was the subject of, since the beginning of 2018, nor are any such legal proceedings known to the Corporation to be contemplated.

There have not been any penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority since the beginning of 2018, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, and the Corporation has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority since the beginning of 2018.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors and officers of COPL, none of the Directors or executive officers of COPL or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of COPL, or any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect COPL.

DIRECTORS AND OFFICERS

The name, location of residence, position(s) with the Group and the principal occupations of the directors and executive officers of the Group for the past five years are set out in the following table.

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Arthur S. Millholland P. Geol ⁽²⁾ Alberta, Canada	Director, President and Chief Executive Officer	August 14, 2009	President and CEO of COPL since August 2009. Prior thereto, Mr. Millholland was a Director and the President and CEO of Oilexco from 1994 until July 2009. Mr. Millholland was a member of the Board of Directors of Rupert Resources LTD. from March 2014 to December 2017. He has been a professional geologist for over 35 years. Mr. Millholland has worked in a variety of regions including the UK North Sea, Canada, the Gulf of Mexico, the United States, South America, and West and North Africa. He is a member of the American Association of Petroleum Geologists. He is a graduate of the University of Waterloo where he obtained an Honours Bachelor of Science degree in Earth Science.
Massimo C. Carello ^{(1) (3) (4)} London, United Kingdom	Director	September 29, 2009	Mr. Carello has over 40 years of international senior management and board level experience, who in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello was a Director of Orsu Metals Corp. from September 2008 until December 2016 and a Director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to UK in 1990, where he currently lives, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello is a Knight Commander of the Royal Order of Francis I of the Two Sicilies, and has a degree in Political and International Sciences from the University of Turin.

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Harald H. Ludwig ^{(1) (3) (4)} British Columbia, Canada	Director and Chairman of the Board	September 29, 2009	Mr. Ludwig has over 30 years of extensive business and investment experience, and is currently the President of MacLuan Capital Corp. (a diversified private equity investment company). He was a Director of Lions Gate Entertainment Corp. (NYSE) from June 2005 to September 2016, a Director of West Fraser Timber Co. Ltd. (TSX) from May 1995 to April 2017 and a Director of Seaspan Corporation (NYSE) from August 2012 to April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles. Mr. Ludwig also serves as a member of the Advisory Board of Tennenbaum Capital Partners, LLC.
Viscount William Astor ⁽¹⁾ ^{(2) (3) (4)} Oxfordshire United Kingdom	Director	March 28, 2013	Viscount Astor is an independent businessman and politician who sits as an elected hereditary peer in the House of Lords. Viscount Astor is a Director of a number of private companies in the UK and is currently Chairman of Silvergate Media Ltd. (since 2011). He served as a Director of Nexeo Solutions, Inc. from 2015 to 2017 and as a Non-Executive Director of W L Ross Holdings Corp. from 2000 to 2015. From 2007 to 2015 Viscount Astor was a Director of Networkers International Plc, a global recruitment consultancy listed on AIM, specialising in telecommunications, information technology, financial markets, energy and engineering, enterprise resource planning and managed services and projects. From 1977 to 2011, Viscount Astor was Deputy Chairman of Chorion Plc, a media company which owned, managed, and developed family entertainment brands in the UK.
John Cowan ^{(1), (2), (4)} Sarnia, Ontario	Director	November 10, 2015	Mr. Cowan, a petroleum geologist, has been involved in the Canadian oil and gas industry for 40 years. During this period he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan's previous public company committee experience includes: Audit; Corporate Governance and Reserves; Health and Safety; and Compensation. Mr. Cowan is the Chair of COPL's Audit Committee and Reserve Committee. Mr. Cowan was a Director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. In 2004, Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held Web Architected, Maintenance Inventory Optimization firm with a Fortune 100 client base. This remains his principal occupation today.
Aleksandra Owad Alberta, Canada	Chief Financial Officer	N/A	Chief Financial Officer of the Corporation since May 2016. Previously the Chief Financial Officer of the Corporation from October 2009 until April 2013 and Chief Accounting Officer of the Corporation from April 2013 to October 2013. From April 2007 until July 2009, Ms. Owad was the Chief Accounting Officer and since May 2004 a Controller at Oilexco. Ms. Owad's background includes extensive financial advisory and audit services to companies in a variety of sectors in Europe while working with KPMG. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) in the United Kingdom, has her Chartered Professional Accountant designation (CPA, CGA) in

<u>Name and Municipality of Residence</u>	<u>Current Positions & Offices Held</u>	<u>Director Since</u>	<u>Principal Occupations During Past Five Years</u>
			Canada and holds a Master of Economics Degree from the Warsaw School of Economics.
Rod Christensen Alberta, Canada	Vice-President, Exploration and Exploitation	N/A	Mr. Christensen has been the Corporation's Vice President, Exploration and Exploitation since December 2011, and was Manager Exploration and Development from November 2010 to December 2011. Prior thereto, Mr. Christensen was a Consulting Professional Geologist to the Corporation and other clients from August 2009 to October 2010. Mr. Christensen graduated from the University of Washington with a Bachelor of Geological Sciences Degree. He has 40 years of experience working in the natural resource industry in Western Canada, the UKCS, Africa and throughout the world, and held key positions with Canadian Hunter Exploration, Cuesta Energy, and Oilexco.
Richard Mays Angus, United Kingdom	Vice-President, Business Development and General Counsel	N/A	Dr. Mays has been the Corporation's Vice President, Business Development and General Counsel since September 2014. He has extensive management and leadership experience in oil and gas companies. Dr. Mays is a Non-Executive Director of Prospex Oil and Gas plc and a Director of Sallork Limited and Sallork Property Limited. Dr Mays was Executive Chairman of Black Star Petroleum plc from November 2012 to January 2014, and Executive Chairman of Peppercoast Petroleum plc from March 2010 to April 2013. He was formerly Professor of Law and Deputy Dean of the Aberdeen Business School. He holds LLB (Honours), LLM and PhD degrees and is a Solicitor and Notary Public in Scotland.

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserve Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance and Nominating Committee.

Each Director of COPL will hold office until the close of the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed or his or her office is earlier vacated in accordance with the *Canada Business Corporations Act* and the Articles and by-laws of COPL. The Board is comprised of a majority of independent directors.

The Board currently has four committees: the Reserves Committee; the Audit Committee; the Compensation Committee; and the Corporate Governance and Nominating Committee. Each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are comprised of independent directors.

The Directors and executive officers of COPL as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 84,469,818 Common Shares, approximately 3.4% of the issued and outstanding Common Shares.

Messrs. Millholland, Christensen and Mays and Ms. Owad, officers of the Corporation, devote their full time and attention to the business and affairs of the Corporation. The Directors of COPL, with the exception of Mr. Millholland, who devotes his full time to COPL, devote their time and attention to the affairs of COPL as required.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, no Director or executive officer of COPL is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation that: (a) was subject to an

order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as set forth herein, no Director or executive officer of COPL: (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of a corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Except as set forth herein, no Director or executive officer of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Arthur Millholland

Mr. Millholland was a director of Oilexco North Sea Ltd., the wholly-owned operating subsidiary of Oilexco, when it was the subject of an order by the UK court for Administration under the provisions of paragraph 22 of Schedule B1 to the *Insolvency Act of 1986* (UK) on January 7, 2009. Mr. Millholland was a director and officer of Oilexco when it obtained a court order for protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") on February 5, 2009. He served in the same capacity when Oilexco was the subject of a liquidation order from the Alberta Court of Queen's Bench on July 16, 2009.

On December 9, 2009 Mr. Millholland was reprimanded by the TSXV for failing to ensure that Oilexco maintained a transfer agent and for failing to ensure that Oilexco issued press releases or otherwise provided the market place with timely disclosure of the process of the CCAA proceedings in September 2009, notwithstanding that Oilexco had no funds at such time.

Harald Ludwig

Mr. Ludwig was the Chairman of Zatikka plc on August 5, 2013, when it was announced that administrators were to be appointed in respect of that company. Mr. Ludwig subsequently resigned as a director of Zatikka plc with effect from August 8, 2013. On October 28, 2013, the administrators of Zatikka plc announced that they intend to exit the administration of that company by means of a creditors' voluntary liquidation.

John Cowan

Mr. Cowan was a director and officer of Oilexco when it obtained a court order for protection under the CCAA on February 5, 2009. He served in the same capacity when Oilexco was the subject of a liquidation order from the Alberta Court of Queen's Bench on July 16, 2009.

Mr. Cowan was a director and officer of Dundee Energy Limited until April 2017. On August 16, 2017, a court order for protection under the CCAA was issued with respect to two wholly-owned entities being Dundee Oil and Gas Limited and Dundee Energy Limited Partnership. On June 11, 2018, the Ontario Superior Court of Justice approved a sale of these entities and the transaction was completed on November 16, 2018.

Rod Christensen

Mr. Christensen was the Senior Vice President Exploration and Development and an Officer of Oilexco when it obtained a court order for protection under CCAA on February 5, 2009, and served in the same capacity when Oilexco was the subject of a liquidation order from the Alberta Court of Queen's Bench on July 16, 2009.

Aleksandra Owad

Ms. Owad was the Chief Accounting Officer of Oilexco when it obtained a court order for protection under the CCAA on February 5, 2009. She served as Chief Financial Officer when Oilexco was the subject of a liquidation order from the Alberta Court of Queen's Bench on July 16, 2009.

Richard Mays

Mr. Mays was the Vice President (Commercial Operations) and an Officer of Oilexco as well as an Officer of Oilexco's operational subsidiary Oilexco North Sea Limited, when Oilexco North Sea Limited was placed in administration by an order of the English High Court on January 7, 2009. Oilexco obtained a court order for protection under CCAA on February 5, 2009, and was the subject of a liquidation order from the Alberta Court of Queen's Bench on July 16, 2009.

Conflicts of Interest

Certain Directors and executive officers of COPL are, and may continue to be, also directors, officers or shareholders of other oil and gas companies whose operations may, from time to time, be in direct competition with those of COPL or with entities which may, from time to time, provide financing to, or make equity investments in competitors of COPL. In accordance with the *Canada Business Corporations Act*, such Directors and executive officers will be required to disclose all conflicts of interest as such conflicts arise. If a conflict of interest arises at a meeting of the Board, any Director in a conflict will disclose his interest and abstain from voting on such matter.

AUDIT COMMITTEE

Audit Committee

Messrs. Carello, Cowan, Ludwig and Viscount Astor are the members of the Audit Committee. Mr. Cowan is the Chair of the Audit Committee. The Audit Committee is comprised of independent Directors and constituted in accordance with applicable securities laws and the policies of the TSXV.

Independence of Audit Committee

NI 52-110 provides that a member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the member's independent judgment. Each of the members of the Audit Committee, in the view of the Board, is "independent" as that term is defined in NI 52-110.

Financial Literacy of Audit Committee

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All of the Audit Committee members are financially literate as that term is defined in NI 52-110.

Relevant Education and Experience

Massimo Carello

Mr. Carello has over 40 years of international senior management and board level experience, who in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello was a Director of Orsu Metals Corp. from September 2008 until December 2016 and a Director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to UK in 1990, where he currently lives, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello is a Knight Commander of the Royal Order of Francis I of the Two Sicilies, and has a degree in Political and International Sciences from the University of Turin.

John Cowan

Mr. Cowan, a petroleum geologist, has been involved in the Canadian oil and gas industry for over 40 years. During this period he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan's previous public company committee experience includes: Audit; Corporate Governance and Reserves; Health and Safety; and Compensation. Mr. Cowan is the Chair of COPL's Audit Committee and Reserve Committee. Mr. Cowan was a Director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. In 2004, Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held Web Architected, Maintenance Inventory Optimization firm with a Fortune 100 client base. This remains his principal occupation today.

Harald Ludwig

Mr. Ludwig has over 30 years of extensive business and investment experience, and is currently the President of MacLuan Capital Corp. (a diversified private equity investment company). He was a member of the Board of Directors of Lions Gate Entertainment Corp. (NYSE) from June 2005 to September 2016, a Director of West Fraser Timber Co. Ltd. (TSX) from May 1995 to April 2017 and a Director of Seaspac Corporation (NYSE) from August 2012 to April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles. Mr. Ludwig also serves as a member of the Advisory Board of Tennenbaum Capital Partners, LLC.

Viscount William Astor

Viscount Astor is an independent businessman and politician who sits as an elected hereditary peer in the House of Lords. Viscount Astor is a Director of a number of private companies in the UK and is currently Chairman of Silvergate Media Ltd. (since 2011). He served as a Director of Nexeo Solutions, Inc. from 2015 to 2017 and as a Non-Executive Director of W L Ross Holdings Corp. from 2000 to 2015. From 2007 to 2015 Viscount Astor was a Director of Networkers International Plc, a global recruitment consultancy listed on AIM, specialising in telecommunications, information technology, financial markets, energy and engineering, enterprise resource planning and managed services and projects. From 1977 to 2011, Viscount Astor was Deputy Chairman of Chorion Plc, a media company, which owned, managed, and developed family entertainment brands in the UK.

Auditors

Audit Committee Oversight

Since the commencement of COPL's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee Charter attached as Appendix D sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of non-audit services.

External Auditor Service Fees

The fees paid to the Corporation's external auditor in the last two fiscal years are set out in the table below. Audit fees were incurred in connection with annual financial statements, statutory filings, quarterly reviews of financial information and services rendered for prospectuses.

	2017 in USD	2018 in USD
Audit and audit related fees ⁽¹⁾	\$120,093	\$104,037
Tax related fees ⁽²⁾	51,963	24,974
Total	\$172,056	\$129,011

Notes:

- (1) Audit fees were paid for professional services rendered by the auditor for the audit of the Corporation's annual financial statements, services provided in connection with statutory and regulatory filings and quarterly reviews of financial information.
- (2) Tax fees were paid for preparation of income tax returns and advice with respect to tax compliance and international tax compliance.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares and Warrants is Computershare Trust Company of Canada at its principal office in Calgary, Alberta and sub-agency office in Toronto, Ontario.

INTERESTS OF EXPERTS

Deloitte LLP has acted as the Corporation's auditors since August 2009. During October and November 2017, the management of the Corporation conducted a review of the Corporation's audit requirements and potential audit service providers and made a recommendation to the COPL's Audit Committee with respect to changing auditors to Ernst & Young LLP. The change of auditor was approved by COPL's Board of Directors in March 2018 and by resolution of the Shareholders dated June 4, 2018. Ernst & Young LLP, whose address is Suite 2200, 250 – 2nd Street S.W., Calgary, Alberta Canada T2P 1M4, was appointed as the auditor of the Corporation for periods commencing January 1, 2018, and the Board of Directors was authorised to fix its remuneration.

Ernst and Young LLP is independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Professional Accountants of Alberta.

As at the date hereof, the designated professionals of NSAI, independent reserves auditors, do not beneficially own, directly or indirectly, any securities of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to COPL, including directors' and officers' remuneration and indebtedness, principal holders of COPL's securities and securities authorized for issuance under COPL's Stock Option Plan, is contained in the Corporation's Information Circular for its most recent meeting of security holders that involved the election of directors relating to the Annual and Special Meeting of Shareholders is expected to be held on June 4, 2019, and in documents filed on SEDAR at www.sedar.com.

Additional financial information is provided in COPL's audited consolidated comparative financial statements and management's discussion and analysis for its most recently completed financial year, and which are filed on SEDAR at www.sedar.com. Documents can also be retrieved from the Corporation's website at www.canoverseas.com.

**APPENDIX A
FORM NI 51-101F1**

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

**CANADIAN OVERSEAS PETROLEUM LIMITED
The "Reporting Issuer" or "the Corporation"**

For fiscal Year Ended December 31, 2018

This is the form referred to in item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.

TABLE OF CONTENTS

PART 1	DATE OF STATEMENT	Page A1
PART 2	DISCLOSURE OF RESERVES DATA	Page A1
PART 3	PRICING ASSUMPTIONS	None – not included
PART 4	RECONCILIATION OF CHANGES IN RESERVES	None – not included
PART 5	ADDITIONAL INFORMATION RELATING TO RESERVES DATA	None – not included
PART 6	OTHER OIL AND GAS INFORMATION	Page A2
PART 7	OPTIONAL DISCLOSURE OF CONTINGENT RESOURCE DATA AND PROSPECTIVE RESOURCE DATA	Page A3

Form 51-101F2	Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor
Form 51-101F3	Report by Management and Directors on Oil and Gas Disclosure

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. The date of this report and statement is: March 28, 2019.
2. The effective date of information provided in this statement is as of the Corporation's most recently completed fiscal year ended: December 31, 2018.
3. The date of preparation of the information provided herein is: March 15, 2019.

PARTS 2-5 DISCLOSURE OF RESERVES DATA

As of December 31, 2018, COPL had no oil and gas reserves. Consequently, no reserves data is enclosed on this statement for Parts 2 through 5 of NI 51-101 F1.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties

In Nigeria, COPL through its 50% owned affiliate ShoreCan, has completed the acquisition of 80% of the share capital of Essar Nigeria. Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226 located 50 km offshore in the central area of the Niger Delta. Under the terms of the PSC, Essar Nigeria is required to seek ministerial consent for the change in control of Essar Nigeria. Application has been made to the appropriate bodies and the parties to the OPL 226 Transaction are awaiting its approval, which, as of the date of filing this AIF, has not been received. Under the terms of the acquisition, ShoreCan has taken over management and has a majority of the board of directors of Essar Nigeria effective January 12, 2017. Upon receipt of Ministerial approval, ShoreCan will be the official registered owner of the 80% interest in Essar Nigeria, which has a 100% working interest in Block OPL 226, and COPL will own 40% thereof pursuant to its 50% interest in ShoreCan. A further

discussion of Block OPL 226 and COPL's interest therein, is included in the Annual Information Form to which this Form 51-101 F1 is appended.

In Mozambique, a consortium of companies (in which, together, the ShoreCan joint venture parties hold a 57% interest) has been indicatively awarded rights to onshore Block PT5-B in the fifth licensing round. COPL's interest in Mozambique will be dependent on successful negotiation of a new production sharing contract in respect of this asset. The Consortium will be invited to negotiate with the government of Mozambique the terms of the production sharing contract that will govern Block PT5-B in the first half of 2019. In connection with these negotiations, the Consortium will also acquire 1600 km of 2D seismic in respect of the block. COPL is currently anticipated to act as operator of any project respecting Block PT5-B. A further discussion of Block PT5-B and COPL's interest therein, is included in the Annual Information Form to which this Form 51-101 F1 is appended.

Item 6.2 Properties with No Attributed Reserves

The table below provides Gross and Net areas of COPL's holdings.

Block	Equity Interest %	Operator	Current Land Holdings (Gross Hectares)	Current Land Holdings (Net Hectares)
Nigeria OPL 226	40%	Essar Nigeria	153,000 ha	61,200 ha

There are no attributable reserves assigned to license block OPL 226 in Nigeria. Contingent and prospective resources have been assigned to OPL 226 and are discussed in Part 7 below.

Work Commitments and Costs

The principal work commitments, timing of completion and minimum expenditures to be incurred during the current exploration period of the OPL 226 production sharing contract is set out below.

REGION	BLOCK(s)	EXPLORATION PERIOD & EXPIRY	WORK COMMITMENTS	MINIMUM EXPENDITURE
Nigeria	OPL 226	Initial Exploration Period. Expiry: Extension granted to October 1, 2020.	Drill one exploration or exploitation well before the end of the extension period.	30MM \$US (gross) 15MM \$US (net)

Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

As of the effective date of this report, reserves have yet to be attributed to any of the properties in which the Corporation holds an interest. Contingent and prospective resources have been assigned to OPL 226 in Nigeria. All the risks and probabilities identified in the definition of contingent and prospective resources as discussed in Part 7 below are inherent in the nature of these properties.

For a discussion of significant factors or uncertainties relevant to the Corporation's properties with no attributed reserves, please see the appropriate sections of the Annual Information Form dated March 28, 2019 to which this Form 51-101 F1 is appended and COPL's audited consolidated comparative financial statements for the year ended December 31, 2018 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR at www.sedar.com.

Item 6.3 Forward Contracts

COPL is not currently party to any agreements relating to the transportation or marketing of oil and gas.

Item 6.4 Tax Horizon

COPL was not required to pay income taxes during 2018. Given that the Corporation is in the exploration stage and does not currently have reserves, no reasonable time estimate can be made as to when the Corporation will be required to pay income taxes in the future.

For a discussion of COPL's tax status, please see COPL's audited consolidated comparative financial statements for the year ended December 31, 2018 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR at www.sedar.com.

Item 6.5 Costs Incurred

The net costs (in thousands of \$US) incurred by the COPL in relation to OPL 226 were as follows:

COUNTRY	LEASE	COST (M \$US) ¹
Nigeria – Acquisition Costs	OPL 226	125

Item 6.6 Exploration and Development Activities

With respect to the block OPL 226 offshore Nigeria, it is expected that, provided the requisite funding is received, ShoreCan will finalize the initial parts of its field development plan and drill its first well on the block prior to the end of 2019. The results of this well will determine the next exploitation or exploration steps to be taken by the Corporation.

Item 6.7 Production Estimates

Since the Nigeria block is in an early exploration/exploitation phase, COPL is unable to estimate production or future net revenue from its oil and gas activities as of December 31, 2018.

Item 6.8 Production History

COPL had no oil and gas production history as of December 31, 2018.

PART 7 OPTIONAL DISCLOSURE OF CONTINGENT RESOURCES AND PROSPECTIVE RESOURCES DATA

All of the calculated volumes for COPL's interests in Block OPL 226 in Nigeria are classified as either contingent or prospective resources. In order for either contingent or prospective resources to be re-classified into reserves categories, the project will have to demonstrate commercial viability, which generally means that certain criteria will need to be met to prove this viability. Usually, at a minimum, an initial well will need to be drilled in a prospect and the well will need to demonstrate productive capability through a drill stem test or a longer flow test after completion. In addition, the development plan for the project must be well defined and a reasonable target date must be set for production start-up. It must be demonstrated that sufficient capital costs, technology, and resources are in place to complete the project within the timeline of a field development plan. In addition, the reserves auditor must be satisfied that the necessary resources and requisite governmental and regulatory approvals are in place to complete the project, and that the project is an economic venture when everything is taken into account. With these assurances, the third party reserves auditor can begin to assign volumes from resources categories into various reserves categories.

Item 7.1 Contingent Resources

The Corporation engaged the services of NSAI to evaluate the contingent and prospective resources of OPL 226 in the Niger Delta region. NSAI's evaluation of the Corporation's contingent petroleum resources on OPL 226 are contained in the NSAI Report, effective December 31, 2018.

"**Contingent resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not considered commercially recoverable because of one or more contingencies. The contingent oil resources in the NSAI Report have been sub classified as Development Unclassified, which are resources from a discovered accumulation where evaluations are

incomplete and there is ongoing activity to resolve any risks or uncertainties. The estimates of contingent oil resources in this report are for the 6100 Sand discovered in 2001 by the Noa-1 well in the Noa West Discovery. The report does not include economic analysis for these properties. Based on the known PSC terms and analogous field developments, NSAI determined that the best estimate Development Unclarified contingent oil resources would have a reasonable chance of being economically viable, but there is no certainty that it will be commercially viable to produce any portion of the contingent oil resources.

As presented in the NSAI Report, the estimations of unrisked and risked gross (100%) and company gross Development Unclarified contingent resources (based on the acquisition 40% interest) in these properties, along with P_d is as follows:

SUMMARY OF DEVELOPMENT UNCLARIFIED CONTINGENT RESOURCES													
OPL 226, OFFSHORE NIGERIA													
AS OF DECEMBER 31, 2018													
Discovery	Unrisked Contingent Light/Medium Oil Resources (Mbbbl)						Risked Contingent Light/Medium Oil Resources (Mbbbl)						P _d (decimal)
	Gross (100%)			Company Gross ⁽¹⁾			Gross (100%)			Company Gross ⁽¹⁾			
	Low	Best	High	Low	Best	High	Low	Best	High	Low	Best	High	
	Estimate (1C)	Estimate (2C)	Estimate (3C)	Estimate (1C)	Estimate (2C)	Estimate (3C)	Estimate (1C)	Estimate (2C)	Estimate (3C)	Estimate (1C)	Estimate (2C)	Estimate (3C)	
Noa West	11,497.4	16,072.9	20,653.3	4,599.0	6,429.2	8,261.3	3,953.8	5,527.3	7,102.4	1,581.5	2,210.9	2,841.0	0.34
⁽¹⁾ COPL owns a 40 percent working interest in these properties, contingent upon Nigeria's Ministry of Petroleum Resources approval of the acquisition of EEPL's shares.													

SUMMARY OF UNRISKED DEVELOPMENT NOT VIABLE CONTINGENT RESOURCES OPL 226, OFFSHORE NIGERIA AS OF DECEMBER 31, 2018													
Discovery	Unrisked Gross (100%) Contingent Resources						Unrisked Company Gross Contingent Resources ⁽¹⁾						P _d ⁽²⁾ (decimal)
	Natural Gas (MMcf)			Condensate (Mbbbl)			Natural Gas (MMcf)			Condensate (Mbbbl)			
	Low	Best	High	Low	Best	High	Low	Best	High	Low	Best	High	
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	(1C)	(2C)	(3C)	(1C)	(2C)	(3C)	(1C)	(2C)	(3C)	(1C)	(2C)	(3C)	
Dubagbene	6,021.1	9,411.5	13,212.7	18.1	28.2	39.6	2,408.4	3,764.6	5,285.1	7.2	11.3	15.8	0.0
Nduri	13,386.7	45,843.6	126,686.8	40.2	137.5	380.1	5,354.7	18,337.4	50,674.7	16.1	55.0	152.0	0.0
Noa West	70,907.2	84,379.8	115,730.1	212.7	253.1	347.2	28,362.9	33,751.9	46,292.0	85.1	101.2	138.9	0.0
Oyoma	49,240.3	76,185.8	106,497.8	147.7	228.6	319.5	19,696.1	30,474.3	42,599.1	59.1	91.4	127.8	0.0
Total	139,555.3	215,820.7	362,127.4	418.7	647.5	1,086.4	55,822.1	86,328.3	144,851.0	167.5	259.0	434.6	
Totals may not add because of rounding.													
⁽¹⁾ COPL owns a 40 percent working interest in these properties, contingent upon Nigeria's Ministry of Petroleum Resources approval of the acquisition of EEPL's shares.													
⁽²⁾ The P _d is 0 because there is currently no market for gas.													

Item 7.2 Prospective Resources

As part of the NSAI Report, prospective resources were estimated for a number of undrilled exploration and exploitation prospects. The prospective resources estimated in the NSAI Report and presented in this AIF are those quantities of petroleum that are potentially recoverable from accumulations yet to be discovered.

Although NSAI has identified prospective resources, there are numerous uncertainties inherent in estimating oil and gas resources, including many factors beyond the Corporation's control and no assurance can be given that the indicated level of resources will be discovered. There is uncertainty that it will be commercially viable to produce any portion of the resources. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. The resources reported in the NSAI Report are estimates only and there is no certainty that it will be economically or technically viable to produce any portion of the reported prospective resources. In general, estimates of recoverable oil and gas resources are based upon a number of factors and assumptions made as of the date on which the resources estimates were determined, such as geological and engineering estimates which have inherent uncertainties and the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the recoverable oil and gas and the classification of such resources based on risk of recovery, when prepared by different engineers or by the same engineers at different times, may vary substantially.

Estimates of resources always involve uncertainty, and the degree of uncertainty can vary widely between accumulations/projects and over the life of a project. Consequently, estimates of resources should generally be quoted as a range according to the level of confidence associated with the estimates. An understanding of statistical concepts and terminology is essential to understanding the confidence associated with resources definitions and categories.

The range of uncertainty of estimated recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. Resources should be provided as low, best, and high estimates as follows:

- **Low Estimate** – The low estimate is the P90 quantity. P90 means there is a 90% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.
- **Best (Median) Estimate** – The best (median) estimate is the P50 quantity. P50 means there is a 50% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.
- **High Estimate** – The high estimate is the P10 quantity. P10 means there is a 10% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.

This approach to describing uncertainty may be applied to reserves, contingent resources, and prospective resources. There may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production. However, it is useful to consider and identify the range of potentially recoverable quantities independently of such risk.

Oil and Gas Resources

In this section, the following terms have the meanings set forth below:

"**P_g**" means the probability of discovering reservoirs that flow petroleum at a measurable rate. **P_g** is estimated by quantifying the probability of each of the following individual geologic factors: trap, source, reservoir, and migration. The product of these four probabilities or chance factors is computed as **P_g**.

"**P_d**" means the probability of development. **P_d** is defined as the probability that a given discovery will be a viable development project. It takes into account the chance that the discovery target zone will flow the predicted hydrocarbon phase(s) at a commercial rate. It also considers the chance that the target zone can be mechanically completed and appraised in a reasonable time and in compliance with the projected cost schedule. The **P_d** is estimated by the quantification and product of these two factors.

"**prospect**" means a potential accumulation that is sufficiently well defined to be a viable drilling target. For a prospect, sufficient data and analyses exist to identify and quantify the technical uncertainties, to determine reasonable ranges of geologic chance factors and engineering and petrophysical parameters, and to estimate prospective resources. In addition, a viable drilling target requires that 70% of the median potential production area be located within the block or license area of interest.

"**prospective resources**" means those quantities of petroleum estimated, as at a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

"**resources**" is a general term that may refer to all or a portion of total resources.

Prospective Resources

The following tables set forth summary information relating to the Corporation's oil prospective resources including the Gross and Net volumes for both unrisks and risks estimates, as evaluated in the NSAI Report.

SUMMARY OF UNRISKED GROSS (100%) PROSPECTIVE RESOURCES OPL 226, OFFSHORE NIGERIA AS OF DECEMBER 31, 2018									
Prospect	Light/Medium Oil (Mbbbl)			Condensate (Mbbbl)			Natural Gas (MMcft)		
	Low	Best	High	Low	Best	High	Low	Best	High
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	(1U)	(2U)	(3U)	(1U)	(2U)	(3U)	(1U)	(2U)	(3U)
HJ South	0.0	0.0	0.0	60.1	107.1	183.7	28,549.2	43,582.4	68,339.5
HJ South Extension	36,842.3	61,307.0	98,887.5	34.7	77.1	156.4	48,882.7	86,744.2	150,001.0
HJ Southwest	0.0	0.0	0.0	73.9	121.4	190.6	35,881.2	49,547.6	67,337.3
Nduri East	3,054.5	5,523.8	8,693.7	93.9	184.3	344.1	46,637.7	79,955.2	139,332.4
Nduri Extension A	5,891.8	17,336.8	51,261.1	169.7	333.9	650.6	81,752.6	153,476.2	286,701.4
Nduri Extension B	11,033.4	20,603.4	37,148.0	0.0	0.0	0.0	9,907.4	18,478.0	33,534.7
Nduri Far East	10,853.5	19,938.6	34,309.0	271.2	548.7	1,138.3	134,892.0	247,990.7	467,768.7
Nduri North	708.8	1,851.9	5,034.8	28.5	56.3	103.9	13,692.3	24,613.1	43,327.4
Nduri Northwest	0.0	0.0	0.0	189.7	322.2	524.8	90,695.6	130,362.6	183,803.9
Nduri West	5,183.4	13,428.0	36,980.9	167.0	298.5	514.0	82,974.1	135,807.5	225,115.0
Noa East	60,879.0	128,229.3	279,093.7	115.5	226.6	421.0	108,708.6	207,600.9	413,639.6
Noa Far North	16,784.9	27,907.1	45,794.2	0.0	0.0	0.0	14,942.2	24,975.1	41,549.0
Noa Far Northeast	16,504.5	29,243.7	52,375.3	59.6	117.1	234.1	42,020.1	74,160.3	134,334.4
Noa North	19,992.1	34,086.5	55,769.0	9.2	18.5	37.6	21,842.6	38,286.3	65,468.1
Noa Northeast	53,692.3	94,852.5	161,652.5	298.5	571.8	1,099.5	184,389.4	319,538.3	555,087.6
Noa Northern Stratigraphic	42,736.3	78,644.9	146,743.4	0.0	0.0	0.0	38,016.8	70,350.1	130,966.0
Total	284,156.7	532,953.5	1,013,743.1	1,571.7	2,983.5	5,598.6	983,784.5	1,705,468.5	3,006,306.1
Totals may not add because of rounding.									
Note: Prospective resources are the arithmetic sum of multiple probability distributions. Totals of unrisked prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are shown for convenience only. Because of the geologic and development risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources. Such risk is often significant.									

SUMMARY OF UNRISKED COMPANY GROSS PROSPECTIVE RESOURCES ⁽¹⁾									
OPL 226, OFFSHORE NIGERIA									
AS OF DECEMBER 31, 2018									
Prospect	Light/Medium Oil (Mbbbl)			Condensate (Mbbbl)			Natural Gas (MMcf)		
	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)
HJ South	0.0	0.0	0.0	24.1	42.9	73.5	11,419.7	17,432.9	27,335.8
HJ South Extension	14,736.9	24,522.8	39,555.0	13.9	30.8	62.6	19,553.1	34,697.7	60,000.4
HJ Southwest	0.0	0.0	0.0	29.6	48.6	76.2	14,352.5	19,819.0	26,934.9
Nduri East	1,221.8	2,209.5	3,477.5	37.6	73.7	137.7	18,655.1	31,982.1	55,733.0
Nduri Extension A	2,356.7	6,934.7	20,504.5	67.9	133.6	260.3	32,701.0	61,390.5	114,680.6
Nduri Extension B	4,413.4	8,241.4	14,859.2	0.0	0.0	0.0	3,963.0	7,391.2	13,413.9
Nduri Far East	4,341.4	7,975.5	13,723.6	108.5	219.5	455.3	53,956.8	99,196.3	187,107.5
Nduri North	283.5	740.8	2,013.9	11.4	22.5	41.5	5,476.9	9,845.2	17,331.0
Nduri Northwest	0.0	0.0	0.0	75.9	128.9	209.9	36,278.2	52,145.1	73,521.6
Nduri West	2,073.4	5,371.2	14,792.4	66.8	119.4	205.6	33,189.7	54,323.0	90,046.0
Noa East	24,351.6	51,291.7	111,637.5	46.2	90.6	168.4	43,483.4	83,040.4	165,455.8
Noa Far North	6,713.9	11,162.8	18,317.7	0.0	0.0	0.0	5,976.9	9,990.0	16,619.6
Noa Far Northeast	6,601.8	11,697.5	20,950.1	23.8	46.8	93.6	16,808.1	29,664.1	53,733.8
Noa North	7,996.8	13,634.6	22,307.6	3.7	7.4	15.0	8,737.0	15,314.5	26,187.3
Noa Northeast	21,476.9	37,941.0	64,661.0	119.4	228.7	439.8	73,755.8	127,815.3	222,035.0
Noa Northern Stratigraphic	17,094.5	31,458.0	58,697.4	0.0	0.0	0.0	15,206.7	28,140.0	52,386.4
Total	113,662.7	213,181.4	405,497.3	628.7	1,193.4	2,239.4	393,513.8	682,187.4	1,202,522.4
Totals may not add because of rounding.									
<p>Note: Prospective resources are the arithmetic sum of multiple probability distributions. Totals of unrisks prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are shown for convenience only. Because of the geologic and development risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risks prospective resources. Such risk is often significant.</p>									
<p>⁽¹⁾ COPL owns a 40 percent working interest in these properties, contingent upon Nigeria's Ministry of Petroleum Resources approval of the acquisition of EEPL's shares.</p>									

SUMMARY OF RISKED GROSS (100%) PROSPECTIVE RESOURCES									
OPL 226, OFFSHORE NIGERIA									
AS OF DECEMBER 31, 2018									
Prospect	Light/Medium Oil (Mbbbl)			Condensate ⁽¹⁾ (Mbbbl)			Natural Gas ⁽¹⁾ (MMcf)		
	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)
HJ South	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HJ South Extension	3,424.0	5,698.7	9,195.0	0.0	0.0	0.0	0.0	0.0	0.0
HJ Southwest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nduri East	196.6	355.6	559.7	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Extension A	613.6	1,805.6	5,338.8	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Extension B	863.0	1,610.6	2,913.8	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Far East	1,026.4	1,883.3	3,235.3	0.0	0.0	0.0	0.0	0.0	0.0
Nduri North	20.3	53.0	144.2	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Northwest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nduri West	209.5	652.4	2,147.2	0.0	0.0	0.0	0.0	0.0	0.0
Noa East	10,572.1	22,786.0	50,570.0	0.0	0.0	0.0	0.0	0.0	0.0
Noa Far North	1,644.0	2,727.2	4,478.3	0.0	0.0	0.0	0.0	0.0	0.0
Noa Far Northeast	3,032.8	5,373.7	9,624.3	0.0	0.0	0.0	0.0	0.0	0.0
Noa North	2,160.0	3,671.3	5,995.0	0.0	0.0	0.0	0.0	0.0	0.0
Noa Northeast	8,070.7	14,218.4	24,254.0	0.0	0.0	0.0	0.0	0.0	0.0
Noa Northern Stratigraphic	4,262.4	7,837.0	14,604.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	36,095.5	68,672.8	133,060.1	0.0	0.0	0.0	0.0	0.0	0.0

Totals may not add because of rounding.

Note: Prospective resources are the arithmetic sum of multiple probability distributions. These volumes are based on estimates of unrisks prospective resources that have been risked for P_g and P_d. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development. Different prospects and reservoirs within prospects can have different P_g and P_d risks. These differences can be significant.

⁽¹⁾ Risked prospective natural gas and condensate resources are 0 because there is currently no market for gas.

SUMMARY OF RISKED COMPANY GROSS PROSPECTIVE RESOURCES ⁽¹⁾									
OPL 226, OFFSHORE NIGERIA									
AS OF DECEMBER 31, 2018									
Prospect	Light/Medium Oil (Mbbl)			Condensate ⁽²⁾ (Mbbl)			Natural Gas ⁽²⁾ (MMcf)		
	Low	Best	High	Low	Best	High	Low	Best	High
	Estimate (1U)	Estimate (2U)	Estimate (3U)	Estimate (1U)	Estimate (2U)	Estimate (3U)	Estimate (1U)	Estimate (2U)	Estimate (3U)
HJ South	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HJ South Extension	1,369.6	2,279.5	3,678.0	0.0	0.0	0.0	0.0	0.0	0.0
HJ Southwest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nduri East	78.7	142.2	223.9	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Extension A	245.5	722.2	2,135.5	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Extension B	345.2	644.2	1,165.5	0.0	0.0	0.0	0.0	0.0	0.0
Nduri Far East	410.6	753.3	1,294.1	0.0	0.0	0.0	0.0	0.0	0.0
Nduri North	8.1	21.2	57.7	0.0	0.0	0.0	0.0	0.0	0.0
Nduri West	83.8	261.0	858.9	0.0	0.0	0.0	0.0	0.0	0.0
Noa East	4,228.8	9,114.4	20,228.0	0.0	0.0	0.0	0.0	0.0	0.0
Noa Far North	657.6	1,090.9	1,791.3	0.0	0.0	0.0	0.0	0.0	0.0
Noa Far Northeast	1,213.1	2,149.5	3,849.7	0.0	0.0	0.0	0.0	0.0	0.0
Noa North	864.0	1,468.5	2,398.0	0.0	0.0	0.0	0.0	0.0	0.0
Noa Northeast	3,228.3	5,687.4	9,701.6	0.0	0.0	0.0	0.0	0.0	0.0
Noa Northern Stratigraphic	1,705.0	3,134.8	5,841.8	0.0	0.0	0.0	0.0	0.0	0.0
Total	14,438.2	27,469.1	53,224.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals may not add because of rounding.									
<p>Note: Prospective resources are the arithmetic sum of multiple probability distributions. These volumes are based on estimates of unrisks prospective resources that have been risked for P₉ and P_d. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development. Different prospects and reservoirs within prospects can have different P₉ and P_d risks. These differences can be significant.</p>									
⁽¹⁾ COPL owns a 40 percent working interest in these properties, contingent upon Nigeria's Ministry of Petroleum Resources approval of the acquisition of EEPL's shares									
⁽²⁾ Risked prospective natural gas and condensate resources are 0 because there is currently no market for gas.									

Risk factors for the OPL 226 prospects were detailed by NSAI on a reservoir level as each formation has different reservoir characteristics. The resulting risked volumes on a reservoir basis were rolled up into the Prospect tables seen previously in this section. These risk factors (P_g and P_d) are summarized in the following table:

SUMMARY OF P_g and P_d PROSPECTIVE RESOURCES OPL 226, OFFSHORE NIGERIA AS OF DECEMBER 31, 2018							
Prospect/Reservoir	P_g (decimal)	P_d (decimal)		Prospect/Reservoir	P_g (decimal)	P_d (decimal)	
		Natural Gas/ Condensate	Light/Medium Oil			Natural Gas/ Condensate	Light/Medium Oil
HJ South				Noa East			
3600 A	0.29	0.00	-	3600	0.30	0.00	-
3600 B	0.29	0.00	-	4900	0.30	0.00	-
5500	0.29	0.00	-	5500	0.30	0.00	-
6100	0.29	0.00	-	6100	0.30	0.00	0.64
HJ South Extension				7000	0.30	0.00	0.53
4900	0.15	0.00	-	8000	0.21	0.00	0.48
6100	0.18	0.00	0.49	Noa Far North			
7000	0.20	0.00	0.36	7000	0.24	0.00	0.47
8000	0.23	0.00	0.47	8000	0.18	0.00	0.49
HJ Southwest				Noa Far Northeast			
5500	0.32	0.00	-	4900	0.33	0.00	-
6100	0.27	0.00	-	5500	0.33	0.00	-
Nduri East				6100	0.33	0.00	0.56
3600	0.35	0.00	-	Noa North			
5500	0.29	0.00	-	4900	0.30	0.00	-
8000	0.23	0.00	0.28	5500	0.30	0.00	-
Nduri Extension A				6100	0.30	0.00	0.47
above 3600	0.29	0.00	-	7000	0.19	0.00	0.45
3600	0.29	0.00	-	8000	0.19	0.00	0.41
5500 Gas	0.30	0.00	-	Noa Northeast			
6100	0.24	0.00	0.44	3600	0.25	0.00	-
Nduri Extension B				4900	0.25	0.00	-
7000	0.20	0.00	0.41	5500	0.25	0.00	-
8000	0.20	0.00	0.34	6100	0.25	0.00	0.63
Nduri Far East				7000	0.23	0.00	0.53
3600	0.29	0.00	-	Noa Northern Stratigraphic			
4900	0.19	0.00	-	7000	0.18	0.00	0.60
5500	0.19	0.00	-	8000	0.15	0.00	0.57
6100 - 7000	0.25	0.00	0.37				
8000	0.25	0.00	0.38				
Nduri North							
4900	0.27	0.00	-				
5500	0.22	0.00	-				
6100	0.27	0.00	0.11				
Nduri Northwest							
3600	0.29	0.00	-				
Nduri West							
3600	0.37	0.00	-				
4900	0.37	0.00	-				
5500	0.14	0.00	-				
6100	0.08	0.00	0.36				
8000	0.34	0.00	0.25				

APPENDIX B



FORM 51-101F2 REPORT ON CONTINGENT RESOURCES DATA AND PROSPECTIVE RESOURCES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the board of directors of Canadian Overseas Petroleum Limited (the "Company"):

1. We have evaluated the Company's contingent resources data and prospective resources data as at December 31, 2018. The contingent resources data and prospective resources data are risked estimates of volume of contingent resources and prospective resources and related risked net present value of future net revenue as at December 31, 2018, estimated using forecast prices and costs.
2. The contingent resources data and prospective resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the contingent resources data and prospective resources data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the contingent resources data and prospective resources data are free of material misstatement. An evaluation also includes assessing whether the contingent resources data and prospective resources data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following tables set forth the risked volume and risked net present value of future net revenue of contingent resources and prospective resources (before deduction of income taxes) attributed to contingent resources and prospective resources, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the Company's statement prepared in accordance with Form 51-101F1 and identifies the respective portions of the contingent resources data and prospective resources data that we have evaluated and reported on to the Company's management:

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date of Report	Location of Resources Other than Reserves	Risked Volume (Mbbl)	Risked Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (US\$)		
					Audited	Evaluated	Total
Development Pending Contingent Resources ⁽¹⁾ (2C)	-	-	-	-	-	-	-

⁽¹⁾ Our study indicates that as at December 31, 2018, there are no development pending contingent resources.

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date of Report	Location of Resources Other than Reserves	Riskd Volume (Mbbl)
Development Unclassified Contingent Resources (2C)	Netherland, Sewell & Associates, Inc.	December 31, 2018	Offshore Nigeria	2,210.9
Development Not Viable Contingent Resources (2C)	Netherland, Sewell & Associates, Inc.	December 31, 2018	Offshore Nigeria	0.0

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date of Report	Location of Resources Other than Reserves	Riskd Volume (Mbbl)
Prospective Resources (Best Estimate)	Netherland, Sewell & Associates, Inc.	December 31, 2018	Offshore Nigeria	27,469.1

6. In our opinion, the contingent resources data and prospective resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the contingent resources data and prospective resources data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.
8. Because the contingent resources data and prospective resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699
Dallas, Texas, USA
March 28, 2019

/s/ C.H. (Scott) Rees III
By: _____
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

JMM:JSM

Please be advised that the digital document you are viewing is provided by Netherland, Sewell & Associates, Inc. (NSAI) as a convenience to our clients. The digital document is intended to be substantively the same as the original signed document maintained by NSAI. The digital document is subject to the parameters, limitations, and conditions stated in the original document. In the event of any differences between the digital document and the original document, the original document shall control and supersede the digital document.

APPENDIX C
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of COPL are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data and includes, if disclosed in the statement required by item 1 of section 2.1 of NI 51-101, other information such as contingent resources data and prospective resources data.

An independent qualified reserves evaluator has evaluated the Corporation's contingent resources data and prospective resources data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has

- a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;
- b) met with the independent qualified reserves evaluator or to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- c) reviewed the contingent resources data and prospective resources data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

- a) the content and filing with securities regulatory authorities of Form 51-101F1 containing contingent resources data and prospective resources data and other oil and gas information;
- b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data, contingent resources data, or prospective resources data; and
- c) the content and filing of this report.

Because the contingent resources data and prospective resources data are based on judgements regarding future events, actual results will vary and the variations may be material.

(signed) "John Cowan"

Director (Chair of Reserves Committee)

(signed) "Harald H. Ludwig"

Director

(signed) "Arthur Millholland"

Director and Chief Executive Officer

(signed) "Rod Christensen"

Vice-President, Exploration and Exploitation

March 28, 2019

APPENDIX D AUDIT COMMITTEE CHARTER

1. PURPOSE

The Audit Committee (the "**Committee**") of Canadian Overseas Petroleum Limited ("**COPL**") is a committee of the Board of Directors with the responsibility under the governing legislation of COPL to review the financial statements, accounting policies and reporting procedures of COPL.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by COPL to any governmental body or the public, the systems of internal controls of COPL regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of COPL generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of COPL.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of COPL.
- Monitor the independence and performance of the auditor of COPL (the "**Auditor**") and the internal audit function of COPL.
- To communicate directly with the internal and external auditors and provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

2. COMPOSITION

- The Committee shall be comprised of three or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of COPL are listed.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and be "financially literate" in accordance with applicable laws and all requirements of the stock exchanges on which shares of COPL are listed or become financially literate within a reasonable period of time following his or her appointment.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.
- Any person with a past affiliation with COPL as an officer or auditor is subject to a three year "cooling-off" period, meaning they may not be a member of the Committee during that period.

3. MEETINGS

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but at least quarterly to review the financial statements of COPL. The Committee will meet with management and the Auditor in separate executive sessions to discuss any matters that the Committee or these parties believe should be discussed privately.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the By-Laws of COPL or otherwise determined by resolution of the Board of Directors.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of COPL, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities.
- Subject to the provisions of the governing legislation of COPL and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

4. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of Directors of COPL any revisions or updates to this Charter. This review should be done at least annually.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements and accompanying MD&A, and the related press releases of COPL and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the unaudited quarterly financial statements and annual audited financial statements of COPL are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of COPL, annual report to shareholders and similar documentation does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of COPL submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve any related party transactions.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of COPL; (ii) to discuss such accounts and records and any matters relating to the financial position of COPL with the officers and auditors of COPL and the Auditor; (iii) to commission reports or supplemental information relating to the financial

information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.

- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of COPL and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of COPL upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to COPL. In this regard, the Committee shall, among other things, receive all reports from the Auditor of COPL, including timely reports of:
 - (a) all critical accounting policies and practices to be used;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of COPL, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of COPL; and
 - (c) other material written communications between the Auditor and the management of COPL, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and COPL, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.
- Satisfy itself, on behalf of the Board of Directors, that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "unresolved differences" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of COPL to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of COPL.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of COPL and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that COPL has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of COPL and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the

monitoring of corporate performance in light of applicable risks) affecting the assets of COPL, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.

- Review and approve the investment and treasury policies of COPL and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by COPL regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of COPL as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by COPL and remitted to the appropriate authorities.
- Without limiting its rights to engage independent counsel and other advisors as it determines necessary to carry out its duties generally, review, with the principal legal external counsel of COPL, any legal matter that could have a significant impact on the financial statements of COPL.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the Articles of COPL and governing law, as the Committee or the Board of Directors deem necessary or appropriate.
- The audit committee must review and approve COPL's hiring policies regarding partners, employees and former partners or employees of the present or former external auditor of COPL.