



CANADIAN OVERSEAS PETROLEUM LIMITED

ANNUAL INFORMATION FORM

For the year ended December 31, 2020

April 30, 2021

TABLE OF CONTENTS

	Page
ABBREVIATIONS.....	3
CONVERSIONS	3
ANALOGOUS INFORMATION	4
GLOSSARY.....	5
FORWARD-LOOKING STATEMENTS	9
NOTE REGARDING INDUSTRY INFORMATION	12
THE CORPORATION.....	13
DESCRIPTION OF THE BUSINESS.....	15
GENERAL DEVELOPMENT OF THE BUSINESS	25
OIL AND GAS PROPERTIES.....	34
DESCRIPTION OF CAPITAL STRUCTURE.....	37
RISK FACTORS.....	38
MARKET FOR SECURITIES	58
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	59
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	60
DIRECTORS AND OFFICERS	61
AUDIT COMMITTEE.....	65
TRANSFER AGENT AND REGISTRAR	66
MATERIAL CONTRACTS	67
INTERESTS OF EXPERTS	67
ADDITIONAL INFORMATION.....	67
 APPENDIX A FORM NI 51-101F1	 A-1
APPENDIX B FORM 51-101F2	B-1
APPENDIX C FORM 51-101F3	C-1
APPENDIX D AUDIT COMMITTEE CHARTER	D-1

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*", 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 areas or 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 Agamore Energy Limited.

"**Agent**" means ABC Funding, LLC.

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

"**AIF**" or "**Annual Information Form**" means this annual information form of the Corporation for the year ended December 31, 2020, dated April 30, 2021.

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

"**Atomic**" means Atomic Oil & Gas LLC.

"**Atomic Acquisition**" means the purchase of the Atomic Group.

"**Atomic Group**" means Atomic, SWP and Pipeco LLC.

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

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

"**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.

"**CNOOC**" means China National Offshore Oil 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 the Mozambique Empresa Nacional de Hidrocarbonetos (10%).

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

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

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

"**COPL Holdings**" means COPL America Holdings Inc., incorporated on February 23, 2021.

"**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.

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

"**Eocene**" means a geologic epoch that lasted from 56 million to 34 million years ago in the Cenozoic Era.

"**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.

"**Essar Transaction**" means the implementation of the In Principle Settlement Agreement which the Company announced on August 4, 2020 that ShoreCan and Essar Mauritius entered into to resolve their disputes. Subsequently the completion date of these agreements was extended to April 30, 2021.

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

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

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

"**Group**" means as of December 31, 2020, the following: 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 Bermuda Holdings**"), Canadian Overseas Petroleum (Bermuda) Limited ("**COPL Bermuda**"), Canadian Overseas Petroleum (Nambia) Limited ("**COPL Nambia**") and 50% interest in Shoreline CanOverseas Petroleum Development Corporation Limited ("**ShoreCan**").

"**Leasehold**" means the Wyoming Assets consist of operating working interests in approximately 47,992 acres of contiguous leasehold in the State of Wyoming. The Leasehold is a combination of (i) Fee Simple Freehold Leases; (ii) State (Wyoming) Leases; and (iii) Federal Leases.

"**Lessees**" means the working interest holders.

"**Lessors**" means the owners of Fee Simple Freehold Leases, State (Wyoming) Leases and Federal Leases.

"**Lender**" means Summit Partners (comprised of Summit Partners Credit III, L.P., Summit Investors Credit III, LLC and Summit Investors Credit III (UK), L.P.).

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

"**Newco**" means COPL America Inc., incorporated on February 23, 2021.

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

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

"**Noa East**" means the Noa East prospect area in Nigeria 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, 2020 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 Common Shares granted under the Corporation's Stock Option Plan.

"**Paleocene**" means a geologic epoch that lasted from 65 million to 56 million years ago in the Cenozoic Era.

"**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.

"**Recent**" means the latest Holocene geological epoch – that is only 11,500 years old.

"**Ryder Scott Report**" means the report as of December 31, 2020 on the "Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests ". The report relates to the Wyoming oil fields of Barron Flats and Cole Creek held by the Atomic Group.

"**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.

"**SWP**" means Southwestern Production Corp.

"**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.;

"**Trafigura 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.

"**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.

"**Unit**" means an amalgamation of coordinated operations of petroleum reserves and resources by all of the different leaseholders and owners through cooperative rather than competitive mechanisms to assure the maximum recovery of hydrocarbons.

"**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 large, tectonically-constrained area bound by a series of major fracture zones that were formed during the separation of the African and American continents during the late Jurassic to Cretaceous periods in geologic history. This margin, which has approximately 2,200 kilometers of coastline, extends from Sierra Leone in the north to the edge of the Niger Delta in the south.

"**Wyoming Assets**" means the assets owned by the Atomic Group.

"**YARE Lenders**" means Yorkville Advisors Global and Riverfort Global Opportunities PCC.

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 Group, 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 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:

- Expectations regarding the ability to raise capital and obtain the financing necessary to continue its operations;
- Timing of any potential financings, including: offerings, private placements or contributions of funds by existing shareholders;
- the effects of the 2019 novel coronavirus ("COVID-19") pandemic
- business strategy, strength and focus;
- expectations to add reserves through acquisitions and development;
- expanding operations into other jurisdictions, including, without limitation, Sub-Saharan, Africa;
- 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 Atomic Acquisition;
- debt and financing arrangements for the Wyoming Assets;
- 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 secure an extension of the OPL 226 Phase 1 Exploration Period and complete the Essar Transaction;
- the ability to reach an agreement on legally binding documents for financing OPL 226 project and related security documentation;
- the potential reward for undiscovered oil and gas deposits in the West African Transform Margin;
- the invalidity of Agamore's claim to a 37% interest in OPL 226;

- the Company's view of recent events in Mozambique and the business environment and its decision not to pursue the licence notionally awarded there;
- 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;
- reserve estimates in respect of the Barron Flats Unit and the Cole Creek Unit;
- information in respect of reserves the Group may have, including disclosure of the Ryder Scott Report;
- 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;
- assumptions in respect of valuation of warrants and stock options;
- the Group's ability to manage its financial and operations risks;
- anticipated use of funds obtained from financings;
- 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;
- abandonment and reclamation costs;
- the impact of the Atomic Acquisition on our operations, opportunities, financial condition and overall strategy;
- expectations with respect to production for the Wyoming Assets;
- capacity of infrastructure;
- the performance characteristics of our oil and natural gas properties and of the oil and natural gas properties comprising the Wyoming Assets; and
- the quantity of the oil and gas reserves associated with the Wyoming Assets.

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:

- availability of capital to fund future operations;
- the effects of COVID-19;
- volatility in market prices for crude oil and natural gas;
- failure to obtain government consent to the OPL 226 Transaction;
- failure to obtain debt and other financing for Group's operations and for OPL 226;
- estimates of resources;

- accuracy of oil and gas reserve estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- access to production facilities;
- status and stage development;
- reliance on key individuals;
- 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 regimes;
- 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: United States and Nigeria;
- share price volatility;
- liquidity of the Common Shares and realization of investment in Common Shares;
- dilution and further sales of Common Shares; 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 the 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 Group's activities, business and operations are carried out, however, readers are cautioned that there is no certainty that any of the Group's 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

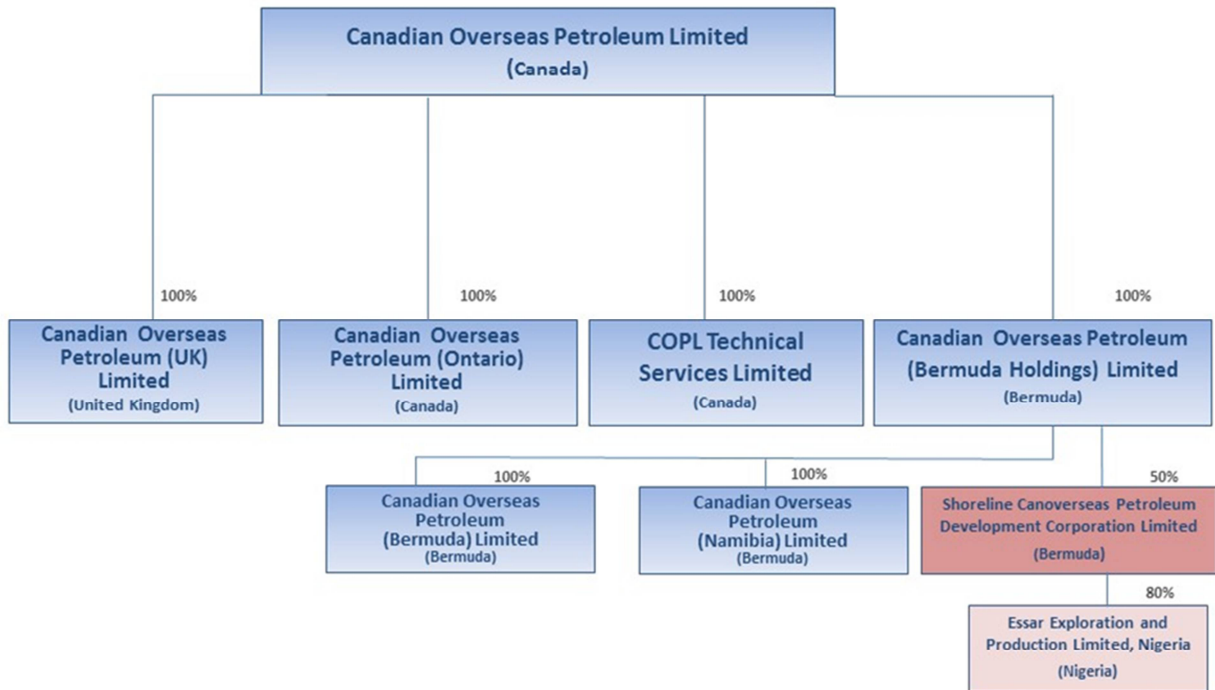
Name, Incorporation and Address

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.

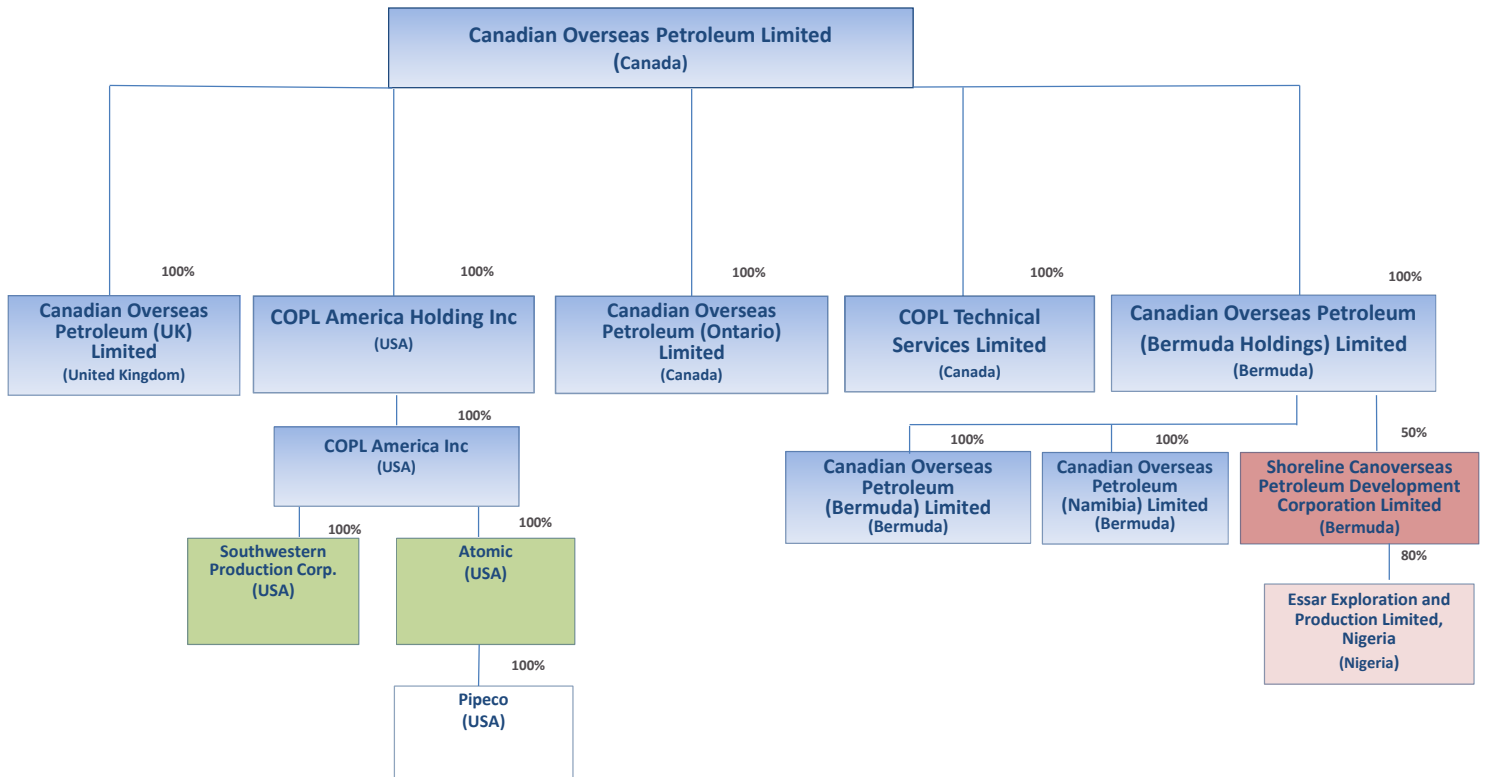
As described more fully below, COPL is an oil and gas exploration/appraisal, development and production company focused in the United States and sub-Saharan Africa. Senior management and strategic corporate functions are performed by COPL's head office in Calgary, and geological, geophysical, engineering, 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. On February 23, 2021, two additional subsidiaries COPL America Holdings Inc. and COPL America Inc. were incorporated for the purpose of oil and gas operations in the United States of America in connection with the Atomic Acquisition.

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, 2020, 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, 2020); 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 presently holds 80% of the shares of Essar Nigeria, which is registered under the laws of Nigeria and holds OPL 226.



After March 16, 2021



DESCRIPTION OF THE BUSINESS

Business Objectives and Strategy

The Corporation's strategy is to increase production on its Wyoming Assets, initially through increased gas injection at Barron Flats Shannon, followed by further drilling and development at the Barron Flats Unit and Cole Creek Unit, and to grow its international oil and gas business in Sub-Saharan Africa and elsewhere in the world by farming into and/or acquiring interests in, exploration, un-appraised and/or undeveloped assets as well as in producing assets using the expertise and experience of its senior management team.

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, United Republic of Tanzania, Republic of Namibia, Equatorial Guinea, Liberia, Nigeria and Mozambique. In Nigeria, pending confirmation of the extension of the exploration period under the OPL 226 PSC by the appropriate governmental bodies and other customary conditions, ShoreCan will, on completion of the Essar Transaction, hold a 10% carried interest in OPL 226.

As at the date of this AIF, the Group is focused on consolidation and growth of its recently acquired Wyoming Assets and the exploration and development of a project in Nigeria. The Company has discontinued its hitherto interest in a project at Block PT5-B in Mozambique in light of recent events in the country. In Mozambique, the Consortium (in which the ShoreCan joint venture parties, together, expected to hold a 57% interest) had been indicatively awarded rights to onshore Block PT5-B in the fifth licensing round. COPL was expected to act as the operator of the project. However, as noted above, following a recent review and the desire to prioritise development of assets in the USA, COPL has decided not to pursue this opportunity and will advise stakeholders accordingly. Beyond COPL's prior pursuit of Block PT5-B, which the Company has ceased, the Company has no other operations or personnel in Mozambique nor any contractual obligations or outstanding liabilities in the country.

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;
- 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.

The Company's short-term operations will focus on:

- continuing production in the Barron Flats Unit and the Cole Creek Unit.
- increasing gas injection at the Barron Flats Unit;
- re-completing up to 17 existing cased wells in the Cole Creek pool to increase oil production

- drilling two to four new wells in Cole Creek pool;
- drilling of horizontal proven unproducing development (PUD) locations in both the Dakota sand and Frontier 2 sand that was mapped by Ryder Scott at Cole Creek
- progressing the OPL 226 project in Nigeria; and
- evaluating new opportunities available in Africa and in other jurisdictions.

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 the United States and Africa, areas 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, in Alberta, USA 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, or 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 2021.

Economic Dependence

Oil Production at the Wyoming Assets is sold, at present, pursuant to a single short-term contract with a national oil marketing and transportation company, at market based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The Group has also entered into risk management contracts to manage exposure to commodity pricing risk with a party by way of SWAP contracts on butane and oil, until February 29, 2024. For more details refer below to "*Description of the Business – Pricing and Marketing of Oil*".

The Group's interest in Nigeria is dependent on the terms of the oil producing license of OPL 226 offshore Nigeria. Shorecan will hold a net 10% interest following the Essar Transaction which could

subject ShoreCan to various risks as a minority shareholder in Essar Nigera, should the Essar Transaction complete. The terms of ShoreCan's acquisition of its interests in Nigeria and the terms of the Group's joint venture arrangements are discussed in more detail under the heading "Description of the Business – Property Interests – Nigeria".

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, transportation costs by transportation type, the value of refined products, the supply/demand balance and other contractual terms, as well as the world price of oil.

Following the acquisition of the Wyoming Assets, Atomic Group production is subject to risk management through SWAP contracts as detailed in the Group's 2020 annual financial statements. These risk management contracts are not entered into for trading nor speculative purposes.

Employees

As at December 31, 2020, COPL and its subsidiaries had a combined total of 10 employees. The acquisition of assets in Wyoming effective December 1st will see the staff compliment increase to 22 including dedicated consulting staff at closing of the Atomic Group Acquisition.

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 has encouraged oil and gas companies to engage in drilling activities there.

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 and through mergers and acquisitions.

Status of Exploration and Development Activity

Nigeria, Africa

OPL 226 is located in the Niger Delta province, offshore Nigeria, with an area of 1,530 km², with water depths ranging from 40m to 180m. OPL 226 is situated along the southwestern edge of a large growth fault-controlled structural complex (known as the 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 \$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 which the Company believes will be forthcoming as Essar Nigeria progresses plans to commence drilling a first well on OPL 226.

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. ShoreCan is planning to provide security for the performance bond underwritten by a Nigerian Bank as required to be provided by Essar Nigeria.

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. The Anyala Field is a recent offshore oil and gas development operated by a consortium led by Nigerian oil and gas company First Exploration & Petroleum Development Co. Ltd. ("First E&P") in partnership with NNPC. First E&P commenced development on the Anyala Field in 2012. The fields are located about 40 km offshore in water depths ranging from 25 to 60 m. The project has been developed successfully since 2018 and production is managed with the Abigail Joseph FPSO. Production at the end of Q1 2020 was reported to be ramping up to a rate of 45,000 bbls/d and is anticipated to Plateau at 60,000 bbls/d in 2022.

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.

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, 2018, 2019 and again at the end of 2020, NSAI updated the report to include any potential changes. The latest report, effective December 31, 2020 (dated January 29, 2021) was requested by COPL once again this year. The disclosure of the estimated resource volumes in OPL 226 has been included in the last several AIF submissions for COPL, documented under the required 51-101F1 Form. As disclosure of resource volumes is at the discretion of the Corporation each year, the Corporation has chosen not to disclose once again the OPL 226 volume estimates, and rather encloses a full disclosure of its newly acquired Wyoming, USA properties under the attached Appendix A. The Company certifies that no material changes have occurred to the resource volume estimates completed by NSAI as of December 31, 2020 for OPL 226.

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, undercompacted and over-pressured.

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, over-pressured, 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 2019, Nigeria had a population of approximately 195.9 million inhabitants and a population growth rate of 2.63%. 50.3 % of the population lives in urban areas. The life expectancy for the general population at birth is 54.3 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 51.1 %. 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 a United Nations Human Development Report, Nigeria's Human Development Index ("HDI"), a measure of health, education and income, was 0.534 in 2019, giving it a ranking of 158 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 2019 was estimated at US\$5,316, on a purchasing power parity basis (2019 Human Development Indices and Indicators – 2019 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).

Wyoming, USA

Barron Flats Unit

The Barron Flats Oil Unit ("BFU") is located in Township 35, Range 76 in Converse County, Wyoming. This unit is situated within the Powder River Basin about 25 miles northeast of Casper, Wyoming. Based on a base case budget plan, the development plan comprises a concerted program to increase the gas injectivity rates of the gas injection wells from 1.5 MMCF/D in early 2020 to 10 MMCF/D and maintain (or exceed) that rate for the next several years. New reservoir modeling has shown that increased gas

injectivity to these levels will increase the oil production from the existing producing wells. The base case budget plan also includes the drilling of up to 18 new oil production wells and 2 new injection wells in the year 2022 and beyond.

The Barron Flats Shannon reservoir was discovered by Chesapeake Energy. Original drive was limited to solution gas expansion. Primary production was increased to about 1,300 BOPD to create voidage for miscible injection. The additional producing wells to achieve this were drilled by Atomic Oil and Gas LLC. Construction of the gas plant/injection facility commenced in late 2018. The plant was commissioned in October 2019. Gas injection commenced in November 2019 through a single injection well. Currently there are 8 injection wells, the last of which was placed online in December 2020. The original plan was to inject gas (60% methane, 40% propane and butane) at 3.5 MMCF/D stepping up to 5 MMCF/D. This was based on the original (pre-injection) simulation.

The forecast increase in oil production was from 4,000 to 5,000 BOPD. However, field observations of the response to the miscible flood were exceeding those predicted from the initial simulation. This first became apparent when COPL commissioned Ryder Scott for a reserves report, dated October 1, 2020.

In January 2021, COPL commissioned a re-simulation of the reservoir utilizing production/injection data to the end of December 2020. This has caused COPL to re-evaluate the original plan, as it is a work in process and as such not finalized. The new plan as currently contemplated will significantly increase injection volumes, with an expected proportionately increased production response. No expansion of the plant is required due to its current overcapacity. Additional drilling of new production and injection wells are being deferred to 2022. The timing of the deferral and the increase in production volume over the initial forecast rate is being evaluated at a base case to high case level of the simulation results. Observations after the increase in injection rates and volumes will help with the future development plan.

Working interest holders in the BFU are: Atomic (57.71%), Cuda Oil and Gas Inc. (27.25%), and CNOOC (15.04%). The operator of the BFU is SWP, a 100% owned affiliate of Atomic. The Company acquired 100% of privately-held Atomic, and SWP in a corporate transaction valued at US\$54 million. See "*General Development of the Business-Three Year History-Atomic Oil & Gas LLP Acquisition*" for further details.

The upper Cretaceous Shannon Sandstone Member of the Cody Shale Formation was deposited as clean sand during Campanian time. Shannon Sandstones form conspicuous northwest to southeast trending clastic ridges that are over 100 feet in thickness, thousands of feet in width and tens of miles in length. The depositional environment for the Shannon is uncertain but could have involved deposition upon incised "ravinement" surfaces during a sea level low stand where sand was preserved in bathymetric lows but were later eroded over bathymetric highs. The coarsening-upwards sequence characterize marine processes in the deposition. It was long believed that the Shannon sand trends were deposited in offshore bars that had been reworked by longshore currents.

The Shannon sand, generally, exhibits four separate depositional facies within it. From the top, Facies 1 has the best reservoir potential because of its relatively high porosity and permeability and larger grain size. It is a trough crossbedded, glauconitic sandstone containing locally abundant shale rip-up clasts. Abundant glauconite in Facies 1a may produce a distinct green color. Facies 2 is characterized by discontinuous, horizontal, rippled sandstone and shale laminae that are truncated by horizontal, inclined burrows. This sand is also glauconitic and "greenish." Facies 3 lacks bedding and locally is mottled due to extensive burrowing. This zone is a mixture of argillaceous sand and silt. Facies 4 is made up of laminated or massive shale and rare sandstone lenses containing minor burrowing and current ripples. The shale may be dolomitic and this Facies is barren of foraminifera.

Outcrops of the entire Shannon Sandstone Member have been mapped along the west side of the basin including outcrops in Natrona County – about 30 miles northwest from the Barron Flats Unit. The Shannon Sandstone Member is found to have a porosity range from near zero in argillaceous and bioturbated silt and sandy layers in Facies 3, 4 to over 20 percent in clean, well-sorted, medium-grained sandstone in Facies 1 and 2. Permeability ranges from less than 1 mD to more than 100 mD. An 8% porosity cut-off was used to delineate the Shannon pool in the Barron Flats Unit.

The Shannon Sandstone Field at Barron Flats is stratigraphically-trapped on the northern, eastern, and southern sides by a pinch out of the porosity in the upper Shannon zones. The trapping mechanism for the western edge of the Barron Flats Unit has been inferred by a northeast to southwest trending fault and covers about 30 square miles. A Shannon Sand – Net Oil Pay map was created by Ryder Scott for the Reserves Report that was completed for COPL dated October 2020. Most of the wells in the production unit have Shannon net pay thicknesses ranging from 10 feet to 42 feet.

Cole Creek Unit

The Cole Creek Field Unit is situated in Township 35, Range 77 in the Powder River Basin – directly west of the Barron Flats Unit (BFU). The County line that separates Converse County from Natrona County, Wyoming bisects this township. This oil unit originally produced 9.1 MMBO from the Upper Cretaceous Shannon Sand member of the Cody Shale Formation. This Shannon oil pool was discovered in April 1940 when the 1-21 well (drilled in 1938) was completed in the Shannon Sandstone Member as a producing well pumping 430 BOPD. Sample shows and well logging illustrated that the lower Cretaceous Dakota sand and underlying Lakota sand were oil-bearing, as well. Some wells in the Cole Creek Field produced from the Dakota and Lakota sands. Historically, 9.1 MMBO have been produced from the Shannon Sandstone Member; 6.3 MMBO have been produced from the Dakota sand; and about 1.0 MMBO has been produced from the Frontier 2 sand. Atomic Oil & Gas LLC has a 66.7% interest in all of the acreage (19,377 gross acres) in Township 35, Range 77, including the Cole Creek Field Unit that is comprised of 11,280 gross acres.

The Powder River Basin is a Laramide-age, asymmetric, north-northwest trending structural basin. The Powder River Basin is classified as an intermontane compressional foreland basin. The Powder River Basin was a portion of a subsiding trough that formed on the east side of the lengthy orogenic belt and was the site of marine inundation of the epicontinental seaway during the Cretaceous. The Cole Creek Field is situated along a doubly plunging anticline that trends in a northwest to southeast direction. The anticline of the South Cole Creek Field is separated from the Cole Creek Field by a “saddle.” At Shannon sand level, there is at least 150 feet of structural closure at Cole Creek.

The lower Cretaceous Dakota sand is stratigraphically trapped at Cole Creek. The Dakota was deposited as a broad deltaic system that includes incised valley deposits, distributary channels, and delta front (marine) sands. Most Dakota oil production is from stratigraphically-trapped incised valley and distributary channel systems.

This widespread clastic wedge prograded into the Western Interior Seaway from the south and east. It is composed of a marine, deltaic, and alluvial complex which becomes progressively more marine to the west, where it consists entirely of marine shale and siltstone of the Thermopolis Shale. Reservoir rocks are generally fine-grained to medium-grained quartzose sandstones. Average reservoir porosity generally ranges from 8% to 23% and averages from 13% to 18%. The sand unit is sealed at the top and bottom by enclosing shales. The permeability developed in the Dakota can be variable. Dakota net pay ranges from 5 feet to 20 feet at Cole Creek.

The second sand of the upper Cretaceous Frontier Formation is also prospective at Cole Creek. Well logs illustrate the development of a reservoir quality sand in the Frontier Formation. Slawson drilled the 44-22H horizontal well within the Frontier 2 sand along the east limb of the structurally-closed anticline in 2018. This well, reportedly, had some drilling issues and multiple fracs were not performed. This well has produced over 61,000 barrels of oil and only 5500 barrels of water since 2018. A properly drilled horizontal well in the Frontier 2 sand with 40 to 60 stage fracs would be expected to produce at an initial rate of 1000 BOPD. Net pay for the Frontier 2 sand ranges from 10 feet to 35 feet in the Cole Creek area.

Initially, up to 17 suspended, cased wellbores are going to be re-entered and re-completed and re-stimulated in the Cole Creek area in the Frontier 2 sand unit. These wells could add oil production of over 1000 BOPD.

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is an international oil and gas exploration/appraisal, development and production company focused in the United States and sub-Saharan Africa. The following describes the Group's recent developments and developments during the past three years.

Three Year History

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 continued to be focused on opportunities that its seasoned technical team has strength in evaluating and developing.

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.

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 "Trafigura Facility"). Specifically, the Trafigura 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, were currently in dispute about whether the other party was in compliance with its obligations under the Essar Nigeria Shareholders Agreement. Essar Mauritius asserted that ShoreCan had not commenced funding of the US\$80 million agreed cumulative funding in Essar Nigeria. ShoreCan denied the claim and produced evidence of substantial expenditure to date. ShoreCan also alleged that any delay in securing mainstream long-term project funding was 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 sought unsuccessfully to invoke.

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 were 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 a 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.

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 opening of trading on October 31, 2018.

Year-Ended December 31, 2019

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 continued working on securing financing for its drilling obligations under OPL 226.

On March 29, 2019, the Corporation announced that its Nigerian Affiliate accepted a term sheet from a recognized Nigerian bank for the provision of a US\$7 million performance bond which would meet the principal condition of the 24 month extension of Phase 1 of the OPL 226 PSC which runs until October 2020. ShoreCan indicated it was planning to provide security for the performance bond.

In March 2019, the Corporation's Nigerian Affiliate signed a non-binding letter of intent with an offshore drilling contractor for a new build high spec jack-up drilling rig.

For the purposes of funding its ongoing general and administrative expenses, during the second quarter of 2019, COPL completed a placement of 497,000,000 Common Shares, at a price of £0.1 pence per Common Share to raise aggregate gross proceeds of £497,000. The placing was completed in two tranches. In connection with the placing, the Corporation also issued 4,970,000 broker's warrants, exercisable at a price of £0.15 pence per Common Share until June 4, 2021.

To further supplement the funds needed to support the Group's ongoing general and administrative expenses, in September 2019, COPL completed a placement of 500,000,000 Common Shares to UK investors at a price per share of 0.1 pence per Common Share, to raise gross proceeds of £0.5 million. The Corporation paid a commission to Shard Capital Partners LLP of 6.0% of the gross proceeds from the

placement and granted 5,000,000 Warrants, exercisable at a price of £0.15 pence per Common Share until September 4, 2021.

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 Farm In 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.

The claim by Agamore 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 Agamore objecting to ShoreCan's lawyers representing the NNPC and DPR and also with a motion to enjoin COPL 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 Court refused such disqualification during the hearing held on April 17, 2019. The defendants' objection to jurisdiction was adjourned to May 23, 2019. On May 23rd, 2019, COPL was informed by local counsel that the plaintiff had appealed to the Nigerian Court of Appeal the decision to refuse the disqualification order. The Nigerian High Court has adjourned the case in the meantime, as the Court of Appeal has superior jurisdiction. No time has yet been set for the appeal hearing. 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.

Year-Ended December 31, 2020

On February 14, 2020 (the "Issue Date"), the Corporation entered into a Promissory Note (the "Note") with Arthur Millholland, President and CEO of the Corporation, (the "Holder") for a principal amount of Canadian \$200,000, approximately US\$0.15 million as at the Issue Date. The Note was repayable by the Corporation six (6) months from the Issue Date ("Maturity") and bore interest in Canadian dollars at a rate of ten per cent (10%) per annum. No payments of interest or principal amount were required by the Corporation prior to Maturity although the Corporation could have elected to prepay a portion or all of the outstanding principal amount of the Note prior to that date. The Note was secured by the Corporation by way of a General Security Agreement over its present and after acquired personal property and was to be guaranteed by the Corporation's subsidiaries. The Corporation used the proceeds of the Note for general working capital and for the progression of its financing plans.

On June 15, 2020, the terms of the Note were varied, in part, by the Loan Agreement (discussed below), providing for an extension of Maturity until December 31, 2020, or conversion of the Note into the Corporation's Common Shares at the deemed price of £0.003 per share, being the placing price of the Corporation's UK Prospectus (discussed below), at the option of the CEO. On August 19, 2020, the Note was replaced with a Secured Convertible Debenture agreement signed with the CEO, which provided for the same terms and conditions as described above and in addition provided for the 10% interest to be paid in cash at Maturity (together the "CEO Loan"). In December 2020, conversion of the CEO Loan was agreed (via a placing agreement signed on December 23, 2020 and on the same terms as a UK Placing

closed in January 2021) for 57,500,000 units at a deemed price of £0.002 per unit and value of £115,000 (approximately CAD 200,000) representing the extinguishment of the principal of the CEO Loan. The interest accrued on the CEO Loan up to December 31, 2020 in the amount of \$14,000 (CAD 17,600) was paid in cash on December 31, 2020. The 57,500,000 units were issued to the CEO on January 11, 2021.

On March 26, 2020, the Board waived earned but unpaid Directors' fees for 2019 and the first quarter of 2020, totalling approximately US\$560,000.

On March 27, 2020 and April 3, 2020 (by way of follow up), the Corporation announced that in light of the Coronavirus pandemic, the Canadian Securities Administrators had offered issuers a 45 day extension for periodic filings. The Corporation elected to defer, among other filings, the filing of its 2019 year-end financial statements to on or around May 12, 2020 and its first quarterly financial statements of 2020 to on or around June 23, 2020.

On April 6, 2020, the Corporation provided an update on the disagreement between ShoreCan and Essar Mauritius regarding the Essar Nigeria Shareholders' Agreement. The Corporation noted that Essar Mauritius had now filed a claim in the High Court of Justice of England and Wales. Essar Mauritius sought in its claim to terminate the Shareholders' Agreement and the Share Purchase Agreement dated August 17, 2015 and the resulting transfer of its shares in Essar Nigeria to ShoreCan. Essar Mauritius was also claiming US\$63 million of damages in respect to historic amounts invested in Essar Nigeria for the OPL 226 Project.

On June 4, 2020, the Corporation announced that ShoreCan has reached an agreement in principle (the "In Principle Settlement Agreement") with Essar Mauritius on a way forward to resolve their disputes with each other concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. The In Principle Settlement Agreement instigated an immediate stay in proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. In addition, pursuant to the terms of the In Principle Settlement Agreement, Essar Nigeria, with the full support of its shareholders, will seek an extension of the OPL 226 PSC beyond the current term ending September 30, 2020. Furthermore, the In Principle Settlement Agreement set out agreed amendments to the Shareholders Agreement to include (i) ShoreCan to transfer 70% of the shares in Essar Nigeria to Essar Mauritius; (ii) Essar Mauritius to carry ShoreCan for a 10% carried interest (capped at US\$5 million net) on all costs relating to the drilling of the first appraisal well to be drilled under the terms of the OPL 226 PSC; and (iii) ShoreCan will have an option to increase its shareholding in Essar Nigeria from 10% to 30% by paying 20% of historic expenditures of Essar Nigeria at cost through the drilling of the first appraisal well. The terms of the In Principle Settlement Agreement were conditional on the parties finalising definitive documentation to reflect the terms and completing the transactions contemplated by the In Principle Settlement Agreement within 35 days.

As at the date of filing this AIF, COPL has not provided any guarantee in respect of obligations, commitments and/or losses of either ShoreCan or Essar Nigeria.

On June 15, 2020 the Corporation announced that it entered into an agreement with (i) Riverfort Global Opportunities PCC Limited; (ii) YA II PN, Ltd (together "YARF"); and (iii) Arthur Millholland governing the terms of an unsecured facility (the "YARF Loan Agreement") of up to £636,000 i.e. approximately US\$786,000. Pursuant to the terms of the YARF Loan Agreement, YARF agreed to conditionally advance an amount equal to £136,000 (the "First Advance") (less fees and deductibles pursuant to the terms of the YARF Loan Agreement) following a written drawdown request from the Corporation, such request specifying a drawdown date being no earlier than the first trading day following the execution of the YARF Loan Agreement. As per the YARF Loan Agreement, the First Advance was repaid on July 2, 2020 - £100,000 in cash from proceeds of YARF's participation in the June 2020 Placing

and £36,000 of the First Advance by issuance Common Shares to YARF at the Placing Price on closing of the June 2020 Placing, as defined below.

The remaining £500,000 of the loan facility bore interest at a fixed rate of 10%, payable on the amount outstanding on repayment of the first drawdown. Pursuant to the YARF Loan Agreement, a fixed interest coupon of 10% on the Loan Amount was due at repayment of the first drawdown if the above mentioned equity placing did not close or a fixed interest coupon of 12.5% on the Loan Amount was payable in Common Shares if the equity placing was closed (the “Interest Shares”). Under the YARF Loan Agreement, the Corporation has provided various warranties, customary for an agreement of its nature to YARF and YARF provided warranties to the Corporation, among others, as to their status.

Further, pursuant to the terms of the YARF Loan Agreement and subject to completion of the funding pursuant to the June 2020 Placing, the Corporation agreed to issue to YARF warrants to purchase 100,000,000 common share purchase warrants for an exercise price of £0.0039 (US\$0.0049) (the “YARF Warrants”). The YARF Warrants are exercisable for 24 months from the date of the Placing.

On June 23, 2020, the Corporation announced that it had entered into agreements for a £700,000 common share placing with three investors at £0.003 (US\$0.0037) per common share. The Corporation entered into a non-brokered subscription agreement (the “Subscription Letter”) dated June 22, 2020 for a £500,000 common share placing (the “Private Placement”) at £0.003 per common share (“Placing Price”). Pursuant to the terms of the Private Placement, the Corporation agreed to pay a finder’s fee of £35,000 cash and issue 12,500,000 common share purchase warrants exercisable for 24 months at an exercise price of £0.0039 (US\$0.0049) to Shore Capital Stockbrokers Limited. In addition, YA and RiverFort committed to subscribe for 33,333,333 new Common Shares each at the Placing Price (the “June 2020 Placing”). The Corporation agreed to pay a finder’s fee in cash of £48,000 in lieu of which 16,000,000 Common Shares at a deemed price of £0.003 (US\$0.0038) per share (the “Fee Shares”) were issued and 16,000,000 common share purchase warrants to a finder in respect of the June 2020 Placing. Each Warrant entitles the holder subscribe for one Common Share in the capital of the Corporation at a price of £0.0039 (US\$0.0049) at any time for 24 months from July 2, 2020. The Corporation also agreed to pay a corporate finance fee of £2,500 and a commission of £1,000 to Shard Capital Partners LLP in respect of the June 2020 Placing.

On June 29, 2020, the Corporation announced it had entered into a further non-brokered subscription agreement dated June 28, 2020 for a £500,000 common share placing at the Placing Price. This placing was an upsize to the Private Placement announced on June 23, 2020 with the same investor (the “Upsized Private Placement”, and together with the Private Placement, the “June 2020 Private Placement”). Pursuant to the terms of the Upsized Private Placement, the Corporation agreed to pay a finder’s fee of £35,000 cash and issue 12,500,000 common share purchase warrants exercisable for 24 months at an exercise price of £0.0039 (US\$0.0049) to Shore Capital Stockbrokers Limited. On July 2, 2020, the Company closed the above placings and issued 400,000,000 Common Shares at a placing price of £0.003 (\$0.0037) per share, for gross proceeds of £1.2 million (\$1.5 million).

Further, on July 2, 2020, the Corporation issued to YARF a total of 38,500,000 Common Shares in lieu of cash payments of £115,500 at a deemed price of £0.003 per share, in respect of repayment of a portion of the first drawdown of the loan facility of £36,000 (12,000,000 Common Shares) and interest on the Credit Facility of £79,500 (26,500,000 Common Shares). In addition the Corporation granted, as compensation to YARF, a total of 100,000,000 common share purchase warrants expiring on July 2, 2022, the above placings closed for an aggregate at £1.2 million (US\$1.5 million) and issued 400,000,000 Common Shares.

On July 2, 2020, Mr. Gaffney assumed the position of Chief Financial Officer of the Corporation. Mr. Gaffney has been acting as interim Chief Financial Officer since June 6, 2020.

On July 7, 2020, the Corporation issued 9,970,000 Common Shares pursuant to an exercise of warrants at an exercise price of £0.0015 (US\$0.0019) per Common Share.

On July 10, 2020, the Corporation announced that ShoreCan and Essar Mauritius has agreed to extend the backstop date to July 20, 2020 to enter into definitive documentation to resolve their disputes concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. The agreement to extend the backstop date also extended the immediate stay of proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. The backstop date and associated stay on the High Court claim was subsequently extended to August 4, 2020, pursuant to the Corporation's announcement on July 21, 2020.

During third quarter of 2020 and further to Debt Exchange arrangements stipulated in the UK Prospectus closed on July 2, 2020, the Corporation issued to certain vendors and employees in total 436,917,545 Common Shares in lieu of cash payments of approximately £1.3 million (US\$1.7 million) at a deemed price of £0.003 (US\$0.0037) per share (as stipulated in the UK Prospectus and pursuant to individual agreements), in respect of outstanding balances due to these vendors and employees.

On July 20, 2020, the Corporation announced it had entered into agreements with two institutional investors and two high net worth private investors to raise gross proceeds of £1.3 million in another non-brokered placing at a placing price of £0.003 (US\$0.0037) per share (the "July 2020 Private Placement").

On July 23, 2020, the Corporation issued 433,333,334 Common Shares pursuant to the July 2020 Private Placement, raising £1.3 million (US\$1.65 million) in gross proceeds. Pursuant to the July 2020 Private Placement, the Corporation agreed to pay in cash a finder's fee of £91,000 and to grant 32,500,000 common share purchase warrants to a finder., expiring on July 24, 2021, at an exercise price of £0.0039 per share.

On August 4, 2020, the Corporation announced that ShoreCan had executed definitive agreements with Essar Mauritius to resolve their disputes. ShoreCan and Essar Mauritius entered into a Sale and Purchase Agreement pursuant to which ShoreCan will return 70% of the shares in Essar Nigeria to Essar Mauritius in addition to other agreements concerning their respective obligations under the Essar Nigeria Shareholders Agreement. Essar Nigeria applied in early June of this year to Nigerian National Petroleum Corporation ("NNPC") for an extension of the exploration period under the OPL 226 PSC beyond the current term ending September 30, 2020. Completion of the definitive agreements to be entered into is subject to the grant of such extension and other customary completion conditions.

On August 14, 2020, the Corporation issued 53,731,380 Common Shares of nil par value pursuant to an exercise of warrants at an exercise price of £0.00335 (US\$0.0044) per Common Share.

On September 24, 2020, the Corporation provided an update on Essar Nigeria's application for a licence extension for OPL 226. The Corporation announced it was confident that Essar Nigeria will receive confirmation of an extension to its exploration licence during the last quarter of 2020, the delay believed to be caused by COVID-19 bureaucracy pressures within the NNPC. To date, no notice of termination has been received by Essar Nigeria, which under the terms of the OPL 226 PSC would need to be issued sixty days before the September 30, 2020 expiry date. The two previous extensions to the drilling license at OPL 226 were also received by the Essar Nigeria following the previous expiration dates.

On September 29, 2020, the Corporation announced that its Board of Directors had approved the granting of 341,609,235 share options of the Corporation effective from September 14, 2020. The share options were granted under the Corporation's Stock Option Plan at an exercise price of £0.0035 (US\$0.0045) per share to the Corporation's Directors, officers and employees and expire five years from the date of grant.

On October 26, 2020, the Corporation announced that ShoreCan and Essar Mauritius have reached an agreement to extend the completion date of the definitive agreements between the parties announced on August 4, 2020 to January 29, 2021.

Atomic Oil & Gas LLC Acquisition

On December 16, 2020, the Corporation entered into a stock and membership interest purchase agreement (the "**Purchase Agreement**") with the seller pursuant to which, the Corporation agreed to purchase from the seller all of the issued and outstanding capital stock of Atomic and membership interests of SWP for consideration of US\$54,000,000 consisting of assumed debt, cash and Common Shares (the "**Atomic Acquisition**"). As part of the Atomic Acquisition, the Corporation also acquired Pipeco, a wholly owned subsidiary of Atomic. The Atomic Acquisition's effective date is December 1, 2020.

The US\$54 million consideration is comprised of the following: (i) a non-refundable US\$1 million deposit paid on December 16, 2020, (ii) an initial payment of a refundable deposit of US\$8 million in two payments of US\$4,000,000, the first on December 31, 2020 and the second on January 7, 2021; (iii) assumed debt in the amount of US\$26 million settled at closing by the Atomic Credit Agreement (see below), (iv) cash in the amount of US\$15 million, and (v) Corporation Common Shares at a deemed value of US\$4 million. **The Corporation has not filed a business acquisition report as of the date hereof but intends to do so before the applicable deadline.**

The Corporation's wholly owned subsidiaries, COPL America Inc. ("**Newco**") and COPL America Holdings Inc. ("**COPL Holdings**") entered into a term loan credit agreement dated March 16, 2021 (the "**Atomic Credit Agreement**") to finance the Atomic Acquisition. The parties to the Atomic Credit Agreement are Newco, as borrower, COPL Holdings, as guarantor, the Agent as the administrative agent and collateral agent, and the Lender as lender. SWP and Pipeco also acted as guarantors.

The Atomic Credit Agreement provides for a total senior secured term loan facility of US\$65,000,000 bearing interest at a rate of LIBOR + 10.50% (subject to a 2.00% LIBOR floor) per annum and with a maturity date of March 16, 2025. COPL Holdings, Newco, Atomic, SWP and Pipeco granted a first priority perfected security interest in all of their respective owned and hereafter acquired property including all oil and gas reserves and equity interests to the Lender and Agent.

The Atomic Credit Agreement provides Newco with a base loan facility of US\$45,000,000 to fund the Atomic Acquisition and associated refinancing, to retire trade payables owed by Atomic and its affiliates, to fund cash liquidity into Newco and/or to pay financing fees and transaction and legal costs in relation to negotiating the Atomic Credit Agreement and facilities thereunder.

The loan facility provided under the Atomic Credit Agreement provides Newco with additional flexibility to utilize up to US\$20,000,000 to fund future developments, the approval of which are at the sole discretion of the Lender. The process for utilizing the additional incremental amounts (up to US\$20,000,000) is subject to further notice to the Lender. under the Atomic Credit Agreement and requires Newco to enter into additional loan documentation to evidence these additional amounts.

Under a separate warrant agreement dated March 16, 2021, the Lender was granted five (5) warrants representing 5% of the Common Shares of COPL America for \$0.01 per Common Share (the "Lender

Warrant Agreement"). On maturity, the Lender would be entitled to redeem such warrants for an amount of cash equal to the greater of approximately 5% of the Corporation's market capitalization or 5% of the net asset value of Newco at such time.

On December 30, 2020, the Corporation announced a non-brokered placing with institutional investors and high net worth individuals (together, the "Investors") for a £6 million unit placing (the "December 2020 Placing") at a placing price of £0.002 (US\$0.0027) per Unit. The Corporation paid a finder's fee of 285,041,750 Common Shares and granted 305,401,875 common share purchase warrants expiring on January 8, 2022 at an exercise price of £0.0026 per share to a finder in connection with the December 2020 Placing.

Recent Developments

On January 8, 2021, the Corporation announced a follow-on non-brokered private placement to the December 2020 Placing to raise additional gross proceeds of £3,000,000 (the "Subsequent Fundraise") subsequent to the December 2020 Placing announced by the Corporation on December 30, 2020 (together with the Subsequent Fundraise being the "Initial Atomic Placing"). The Subsequent Fundraise of Units with institutional investors and high net worth private investors was completed on the same terms as the December 2020 Placing. In addition, the Corporation paid a cash commission to Shore Capital Stockbrokers Limited of 7.0% of the £500,000 proceeds from the Subsequent Fundraise that were sourced by Shore Capital Stockbrokers Limited (the "Shore Placees"), such commission being equal to £35,000, together with common share purchase warrants equal to 7.5% of proceeds from the Shore Placees, exercisable for 12 months at an exercise price of £0.0026 per share. The total gross proceeds of the non-brokered private placement of Units under the Initial Atomic Placing is £8.9 million (US\$12.1 million).

On January 28, 2021, the Corporation updated its Shareholders, investors and the market on the Corporation's view of the new Presidential Executive Order pertaining to the US Federal Oil and Gas Leases as it relates to COPL's acquisition of Atomic Oil and Gas LLC and its related entities ("Atomic") announced on December 16, 2020.

The Corporation believes the Executive Order signed by the President of the United States to have a largely positive effect, and limited negative effects, on COPL's Atomic Acquisition for the following reasons:

- Atomic requires no additional Federal Oil and Gas Leases to conduct its operations.
- Atomic's Federal Leasehold is in good standing.
 - Atomic holds operating working interests in approximately 47,992 acres of contiguous leasehold (the "Leasehold") in the State of Wyoming.
 - The Leasehold is a combination of the following: Fee Simple Freehold Leases; State (Wyoming) Leases; and Federal Leases. These interests are defined as the "Lessors".
 - Within the Leasehold there are three Units: Two (2) production Units being the Barron Flats Shannon Miscible Flood Unit (57.7% WI) and the Cole Creek Unit (66.7%); as well as one unitized exploration area - the Barron Flats Federal Unit (deep).
 - The purpose of the formation of these Units is to align the various Lessors' interests through the terms of their respective leases with Lessees whose working interest is defined through the Unit.
- Atomic has secured drilling permits required to continue to conduct the majority of its operations on the critical Federal Leasehold. If in the future operations are restricted from the surface of Federal Leasehold, operations can also be conducted from adjoining Fee Simple or State

Leasehold directionally if there were to be a hinderance of such operations outside of the newly stated policy on Federal Leasehold.

- The Atomic assets have new infrastructure and direct access to pipeline with no legacy abandonment or reclamation liabilities.
- The Barrons Flat Unit facilities are state-of-the-art, environmentally responsible facilities with zero gas flaring, minimal methane emissions, with required electricity sourced from an adjacent wind farm.

On February 1, 2021, the Corporation announced that ShoreCan and Essar Mauritius have reached an agreement to extend the completion date of the definitive agreements between the parties announced on October 26, 2020 to April 30, 2021.

On February 8, 2021, the Corporation announced that it has repaid in cash the balance of the loan from Riverfort Global Opportunities PCC ("RGO") and YA II PN, Ltd ("YA") (RGO and, together with YA, the "YARF Lenders") announced on June 15, 2020. An amount of £100,000 (US\$136,000) was paid on January 5, 2021 and the remaining balance of £400,000 (US\$547,000) was repaid in cash on February 5, 2021 without penalty. The Corporation has met all of the terms and conditions of the YARF Lenders under the YARF Loan Agreement.

On March 11, 2021, COPL completed an oversubscribed accelerated bookbuild process with its broker Tennyson Securities through which 4,171,562,500 Common Shares (the "Placing Shares") were placed with institutional investors and high net worth private investors/family offices at a price of £0.0032 (US\$0.0045) per Placing Share. The net proceeds of approximately £13.3 million (US\$18.7 million) from the Placing will be used to finance operating and capital expenditures of the Atomic Group and the Corporation's ongoing general and administrative costs.

On March 16, 2021, the Corporation closed the Atomic Acquisition. On March 16, 2021, the Corporation issued 818,873,319 Common Shares representing the \$4 million of the purchase price consideration that was payable in Common Shares.

On March 17, 2021, in anticipation of completing the Atomic Acquisition, the Company announced that it had applied for, and as a result of, the Atomic Acquisition becoming unconditional, been granted by the Financial Conduct Authority (the "FCA"), a suspension of the listing of the Corporation's Common Shares with effect from 7:30 am on March 17, 2021 (the "Suspension"). The Suspension was sought as the Atomic Acquisition amounted to a reverse takeover under the Listing Rules and the Suspension would prevent further trading in the Corporation's Common Shares. At the time the Suspension was announced, the Corporation advised the market as to its intention to make a further application to the FCA under the Listing Rules for the cancellation of the Corporation's listing of its Common Shares (the "Cancellation Application"), ahead of a proposed listing application of the enlarged COPL group following the Atomic Acquisition. For both legal and accounting purposes the Atomic Acquisition does not constitute a reverse takeover.

On March 19, 2021, the Corporation announced, that it would formally make a cancellation application to the FCA and the cancellation is expected to take effect on April 21, 2021, being 20 business days from the time when the cancellation application was made to the FCA. The Corporation expressly confirmed that the cancellation request will not affect the listing of the Company's securities on the Canadian Securities Exchange, which will remain listed on the Canadian Securities Exchange. Furthermore, all holders of Common Shares as at the date of this announcement will remain on the Company's register of members. This suspension on the LSE does not impact listing of the Corporation on the CSE.

On April 1, 2021, the Corporation announced approval of an application for a management cease trade ("MCTO") order and provided bi-weekly status report. The application for the MCTO was made by the Corporation in order to secure additional time for the Corporation to file its audited annual financial statements and the applicable CEO and CFO certifications in respect of such filings for the financial year ended December 31, 2020 (collectively the "Annual Filings"). Under the terms of the MCTO, the Corporation's Annual Filings and any other periodic disclosure required to be filed pursuant to section 146 of the *Securities Act* (Alberta) while the MCTO is in effect (the "Other Disclosure") must be filed on or before April 30, 2021.

The MCTO restricts all trading in securities of the Corporation by the Chief Executive Officer and the Chief Financial Officer of the Corporation until two full business days following the date the Corporation files the Annual Filings and Other Disclosure. The MCTO does not affect the ability of shareholders to trade their securities. However, the applicable Canadian securities regulatory authorities could determine, in their discretion, that it would be appropriate to issue a general cease trade order against the Corporation affecting all of the securities of the Corporation. As previously announced, until filing of the Annual Filings and Other Disclosure, the Company confirmed that it will satisfy the provisions of the alternative information guidelines under National Policy 12-203 – "*Cease Trade Orders for Continuous Disclosure Defaults*" and will file on SEDAR every two weeks a default status report containing the information described in section 10 of NP 12-203.

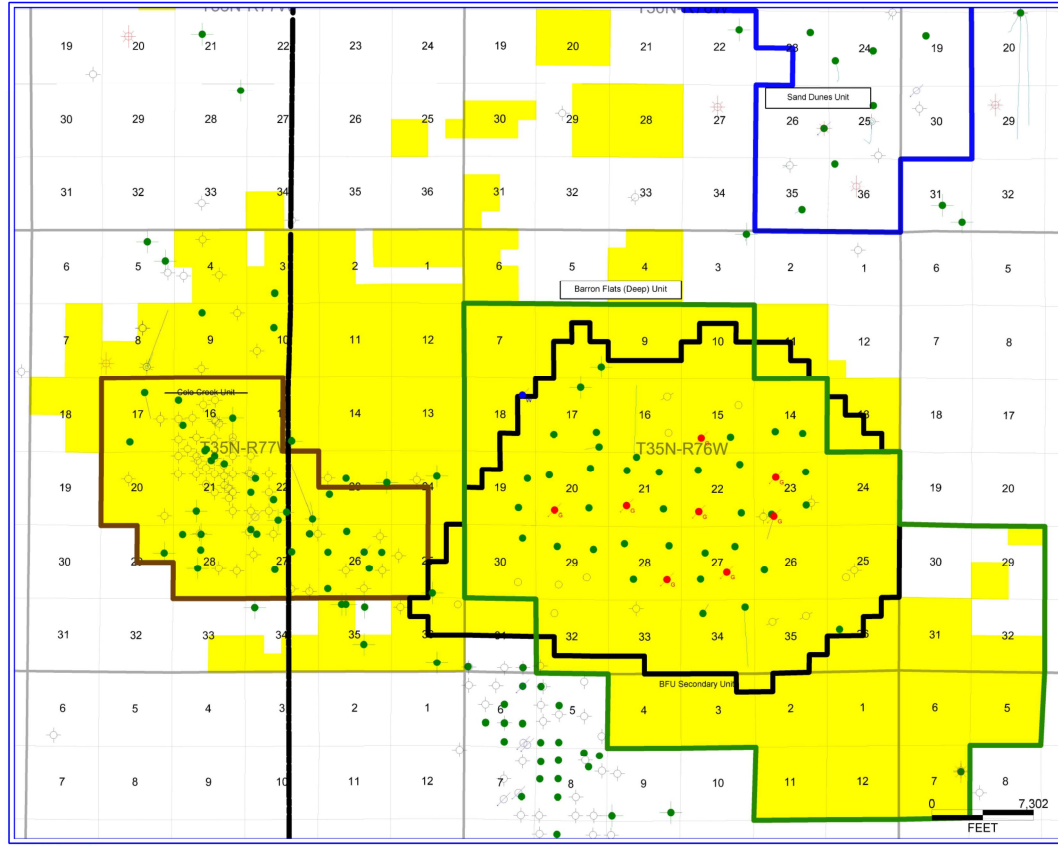
On March 16, 2021, the Company closed the previously announced Atomic Acquisition, as discussed in details in the Corporation's annual consolidated financial statements for the year ended December 31, 2020.

OIL AND GAS PROPERTIES

Barron Flats Unit, Cole Creek Unit – Powder River Basin, Wyoming

Atomic Oil and Gas is a private, US based oil and gas company operating two oil fields in Wyoming under the subsidiary SWP, the Barron Flats Federal Unit (working interest 55.6%) and the Cole Creek pool (working interest 66.67%). Encompassed within the BFU is the Shannon Secondary Recovery Unit (working interest 57.71%) which provides the bulk of the Wyoming production, and which is expected to ramp up in production rate as the miscible flood progresses. Atomic holds a working interest in a total of 47,992 gross contiguous acres within the Barron Flats Unit that is located in township 35N and range 76W06, in Converse county, Wyoming and in the adjacent Cole Creek Pool area of township 35N and range 77W06 in both Converse and Natrona counties.

The Wyoming Assets



Note:

1. Figure X – Barron Flats (Shannon) Unit wells within the Unit Boundary (black outline). The red square in section 27 is the Barron Flats liquids and gas injection facility and gas plant. Green dots are producing Shannon oil wells, black circles are future Shannon drilling locations, red dots are Shannon gas injection wells. The red, green, and gray lines refer to gas pipelines, oil pipelines, and power lines within the Unit. The orange line refers to the pipeline to import “make up” injection gas for the facility (from Tallgrass Interstate gas pipeline).

The total assets acquired following completion of the Atomic Acquisition include 24.7 million barrels of oil or equivalent of 2P reserves in the Powder River Basin in the State of Wyoming. This includes a 58% operated working interest in the Barron Flats Shannon Unit and a 67% operated working interest in the Cole Creek Unit. In December 2019, natural gas and propane miscible flooding commenced on the Barron Flats Shannon Unit. Additionally, between 2017 and September 2020, production increased from 200 bbls/d to 1,400 bbls/d with a forecasted 2P production rate plateau of 5,000 bbls/d in 2022.

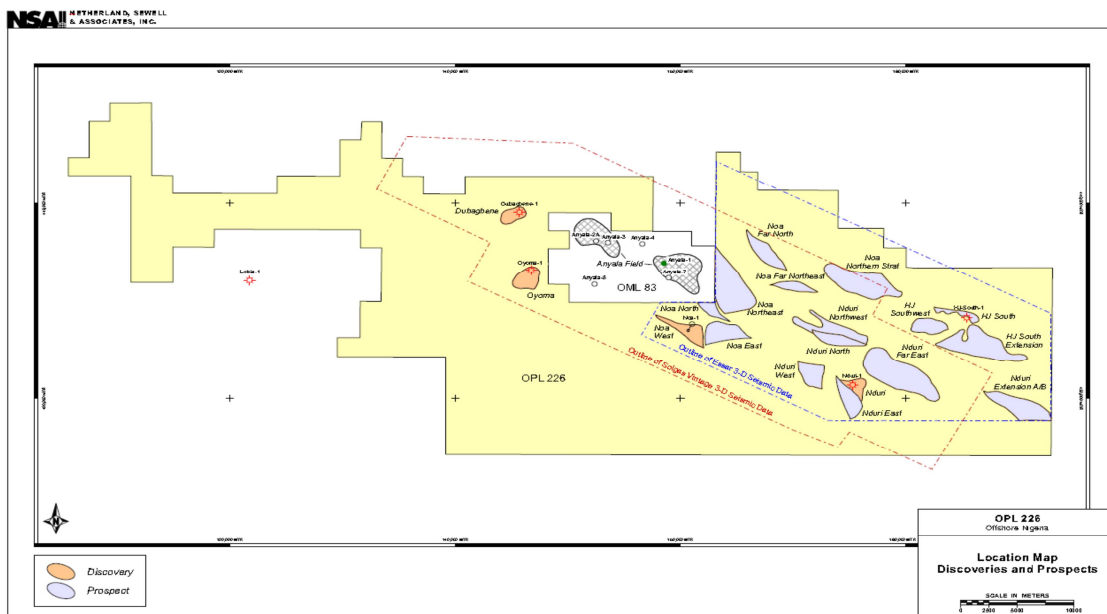
With respect to the Cole Creek Unit, a program to re-complete up to 17 suspended, cased wells is being initiated in June 2021. Additionally, miscible flooding is expected to commence upon production plateauing at the Barron Flats Shannon Unit. Forecasted production from this field is 3,500 bbls/d under the 2P reserve case in 2026.

These producing oil assets are at the beginning of their 40+ year life with increasing production to a future production plateau. For the combined fields of Cole Creek and Barron Flats, the current production rate of 1,324 bbls/d (gross) is expected to rise to 5,000 bbls/d (gross) in 2023 and about 7,000 bbls/d

(gross) in 2026 (2P reserve case, Ryder Scott Report). The produced crude oil is light (40°API) and sweet.

Full disclosure of the estimated reserves associated with the Wyoming oil fields is documented in Appendix A, as part of this Annual Information Form. Appendix A contains the required NI51-101 F1 form for disclosure of reserves under Canadian Oil and Gas Evaluation Handbook ("COGE Handbook").

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 end of 2017, 2018, 2019 and again at the end of 2020, NSAI updated their report to include any potential changes. The latest report, effective December 31, 2020 (dated January 29, 2021) was requested by COPL once again this year. The disclosure of the estimated resource volumes in OPL 226 has been included in the last several AIF submissions for COPL, documented under the required F1 Form. As disclosure of resource volumes is at the discretion of the Company each year, the Corporation has chosen not to disclose once again the OPL 226 volume estimates, and rather enclose a full disclosure of its newly

acquired Wyoming, USA properties under the attached Appendix A. The Company certifies that no material changes have occurred to the resource volume estimates completed by NSAI as of December 31, 2020 for OPL 226.

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, 2020, there were 4,872,204,722 Common Shares outstanding. As at the date of this AIF, there were 14,953,619,791 Common Shares outstanding. There were no Preferred Shares outstanding as at December 31, 2020 or at the date of this AIF. As of the date of this AIF, there were 2,907,651,875 Warrants outstanding.

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 \$0.005 (US\$0.0037) per Common Share and a remaining contractual life of between two and twenty three months from the date of this AIF and are described further in COPL's audited consolidated financial statements for the year ended December 31, 2020 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. Investors should carefully consider the risk factors set forth below.

Risk Related to the Group's Business

Operating Cash Flow

In 2020 and prior years, the Company did not have material cash inflows. Subsequent to December 31, 2020, the Company raised additional equity financing of \$30.8 million (gross), secured debt financing of \$45 million and closed the Atomic Group Acquisition. As a result, the enlarged Company is expected to generate positive operating cash inflows in 2021 and beyond from the Atomic's production activities, for which exposure to commodity pricing risk is managed through risk management contracts until February 29, 2024.

COVID-19 (Coronavirus) Pandemic

In December of 2019, COVID-19 was reported to have surfaced in Wuhan, China. On March 11, 2020, the World Health Organization declared the outbreak a pandemic. Since then, the outbreak has spread throughout Europe, the Middle East, Africa, the Asia-Pacific Region and most western countries including Canada and the United Kingdom, including the emergence of a mutated strain in certain countries including the UK.

Although the Group is taking measures to mitigate the broader public health risks associated with COVID-19 for its business and employees, including ensuring employees self-isolate where possible in line with the recommendations of relevant health authorities, the full extent of the COVID-19 outbreak and the adverse impact this may have on the Group's workforce and key suppliers, its impact on the global economy, US and Nigerian economies and the oil and gas industries is difficult to estimate. In addition, as a result of the COVID-19 outbreak, there may be short-term impacts on the Group's supply chain and planned work programmes in the US and in Nigeria including the Phase-1 exploration plans at OPL 226. Similarly, government-imposed travel restrictions may impair the ability of certain of the Group's employees, advisers and contractors to deliver their services to the Group, conduct physical inspections, or undertake planned operations, and to visit in country offices.

The Directors expect this situation to continue for the time being and there can be no assurance that it will not cause a material adverse effect on the Group's planned operations and ability to raise sufficient financing for the COPL Group.

In response to the COVID-19 outbreak, the Group's joint venture partners or contract counterparties may seek to renegotiate contractual terms or seek to claim force majeure to excuse performance of their

contractual obligations to the extent such parties are affected by the pandemic.

The global health crisis has resulted in volatility and disruptions in the supply and demand for oil and natural gas and has caused increased volatility and reduced market sentiment generally. In particular, market crude oil and natural gas prices significantly declined from March 2020 to June 2020 in response to the COVID-19 pandemic, before recovering in the latter half of the 2020 year. See *"Risk Factors – Weakness and Volatility of Crude Oil and Natural Gas Prices"*.

Weakness and Volatility of Crude Oil and Natural Gas Prices

Throughout of 2020, oil prices deteriorated significantly due to softening global demand caused by the COVID-19 pandemic. The period saw the deepest drop in crude oil prices in the global markets since 1991. With the rapid spread of COVID-19, oil prices and global equity markets have experienced significant volatility which is expected to continue for so long as the COVID-19 pandemic impacts global markets. Whilst global markets and crude oil prices recovered in 2020 and have strengthened in early 2021 there can be no certainty that this trend will continue so long as the COVID-19 pandemic persists.

The Group's strategy is to explore for and/or appraise oil and gas properties which 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. Consequently, such prices may affect the value of the Group's oil and gas properties and the level of spending for oil and natural gas exploration and development.

Continued volatility in world crude oil and natural gas prices may further significantly affect the Group's ability to source financing for the Group's operations and growth objectives including the Phase 1 exploration and appraisal at OPL 226, and if able to do so, such financing may be on unfavourable or highly dilutive terms.

Change to US Policy

On his first day in office, US President Joe Biden re-joined the Paris Climate Agreement and cancelled the Keystone XL pipeline permit. The 1,897 km pipeline was intended to carry more than 800,000bbl/d from Alberta's oilsands to Nebraska to connect with the original Keystone pipeline that runs to US Gulf Coast refineries.

The Biden administration has also confirmed that no new US Federal Oil and Gas Leases will be issued for offshore or onshore assets through the Bureau of Land Management, an arm of the US Department of the Interior. It is anticipated that, in addition (i) there will be a review of existing leases and permitting for oil and gas operations conducted on Federal lands; (ii) there will be no ban on Hydraulic Fracking ("Fracking"); (iii) legacy suspended wells on Federal Leasehold are to be abandoned to reduce methane emissions; and (iv) all operations on Federal lands shall be conducted with regards to the nation's climate objectives. All of the above could have an adverse impact on the revenue streams from the Wyoming Assets.

Economic Dependence

The Group's ability to repay the debt in accordance with the terms of the Atomic Credit Agreement is dependent on the revenue streams from the Wyoming Assets.

Oil Production at the Wyoming Assets is sold, at present, pursuant to a single short-term contract with a national oil marketing and transportation company, at market based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The group has also entered into risk management

contracts to manage exposure to commodity pricing risk with a single arm's length party by way of SWAP contracts on butane and oil, until February 29, 2024. For more details refer below to "*Risk Factors – Marketability of Crude Oil and Natural Gas*".

The Group's interest in Nigeria is dependent on the terms of the oil producing license of OPL 226 in offshore Nigeria. ShoreCan will hold a net 10% interest following the Essar Transaction which could subject ShoreCan to various risks as a minority shareholder in Essar Nigera, should the Essar Transaction complete. 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".

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.

Foreign Operations

The Group carries on its business in the United States and Nigeria, and plans to carry on its business in other foreign countries, 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, 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 previous 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.

Expiration of License and Leases

The Group's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Group's licences or leases or the working interests relating to a licence or lease and the associated abandonment and reclamation obligations may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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"

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. As at the date of this AIF, the Group's only reserves are part of the Wyoming Assets.

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.

Reserves Estimates

There are numerous uncertainties inherent in estimating reserves and the future net revenues attributed to such reserves. The reserves and associated net revenue information set forth in this AIF are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net revenues from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. Our actual production, revenues, taxes and development and operating expenditures with respect to our reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

In respect of the Group's Wyoming Assets, Ryder Scott has used forecast prices and costs in estimating the reserves and future net revenues as disclosed under Appendix A of this AIF. Actual future net revenues will be affected by other factors, such as the COVID-19 pandemic, actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

The reserve estimates in the Ryder Scott Report are based on escalating price parameters. As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. Recoverable reserves and the income attributable thereto have a direct relationship with hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented therein.

Actual production and net revenues derived from our oil and natural gas reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities we intend to undertake in future years. The reserves and estimated net revenues to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve

evaluation. The reserve evaluation is effective as of December 31, 2020 and, except as may be specifically stated herein, has not been updated and therefore does not reflect changes in our reserves since that date.

Status and Stage of Development

The Group currently has no production in Nigeria. 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. Subsequent to December 31, 2020, the Corporation entered into risk management contracts until February 29, 2024 to manage Atomic's Exposure to commodity pricing risk on majority of its production.

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.

The Group may experience delays in production, marketing and transportation.

Various production, marketing and transportation conditions may cause delays in gas, natural gas liquids and oil production and adversely affect the Group's business. For example the Wyoming Assets' gas transportation systems connect to other pipelines or facilities which are owned and operated by third parties. These pipelines and other midstream facilities and others upon which the Group relies for the supply of gas or natural gas liquids and sale of oil production, may become unavailable because of testing, turnarounds, line repair, reduced operating pressure, lack of operating capacity, regulatory requirements, curtailments of receipt or deliveries due to insufficient capacity or because of damage. The lack of availability of capacity on third-party systems and facilities could reduce the price offered for the Group's production or result in the shut-in of producing wells. Any significant changes affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities, could delay the Group's production, which could negatively impact the Group's business, results of operations, financial condition or prospects.

The Group faces production risks and hazards that may affect its ability to produce gas, natural gas liquids and oil at expected levels, quality and costs and that may result in additional liabilities to the Group.

The Wyoming Assets' production operations are subject to numerous risks common to its industry, including, but not limited to, premature decline of reservoirs, incorrect production estimates, invasion of water into producing formations, geological uncertainties such as unusual or unexpected rock formations and abnormal geological pressures, low permeability of reservoirs, contamination of gas and oil, blowouts, oil and other chemical spills, explosions, fires, equipment damage or failure, natural disasters, uncontrollable flows of oil, gas or well fluids, adverse weather conditions, shortages of skilled labour, delays in obtaining regulatory approvals or consents, pollution and other environmental risks. If any of the above events occur, environmental damage, including biodiversity loss or habitat destruction, injury to persons or property and other species and organisms, loss of life, failure to produce gas, natural gas liquids and oil in commercial quantities or an inability to fully produce discovered reserves could result. These events could also cause substantial damage to the Group's property and its reputation and put at risk some or all its interests in licences, which enable the Group to produce, and could result in incurrence of fines or penalties, criminal sanctions potentially being enforced against the Group and its management, as well as other governmental and third-party claims. Consequent production delays and declines from normal field operating conditions and other adverse actions taken by third parties may result in revenue and cash flow levels being adversely affected. Moreover, should any of these risks materialize, the Group could incur legal defence costs, remedial costs and substantial losses, including those due to injury or loss of life, human health risks, severe damage to or destruction of property, natural resources and equipment, environmental damage, unplanned production outages, clean-up responsibilities, regulatory investigations and penalties, increased public interest in the Group's operational performance and suspension of operations.

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. As at December 31, 2020, the Corporation recognized a full allowance for expected credit loss of US\$0.385 million against the long term receivable due from its Nigerian partner in ShoreCan joint venture.

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.

The Group cannot accurately predict its future decommissioning liabilities

The Group, through its lease and license interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields, pipelines and related infrastructure. "Decommissioning" as referred to in this risk factor includes plugging and closing wells, removing surface infrastructure, remediating any contamination and restoring the land for future use. These liabilities are derived from legislation and regulatory requirements concerning the decommissioning of wells, pipelines and production facilities and require the Group to make provisions for, assume and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the Group will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the Group will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the Group will remain liable and its decommissioning liabilities could be increased significantly through such default. Any such increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition. Furthermore, as the infrastructure at the Wyoming Assets is relatively new with short or medium term limited decommissioning risk, the Group is cannot guarantee to what extent, if any, it can contribute towards the decommissioning risk as it progresses the drilling of new wells as anticipated from 2022 onwards.

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 the Wyoming Assets and OPL 226.

The Wyoming Assets consist of operating working interests in approximately 47,992 acres of contiguous Leasehold in the State of Wyoming. The Leasehold is a combination of the following: (i) Fee Simple Freehold Leases; (ii) State (Wyoming) Leases; and (iii) Federal Leases. Within the Leasehold there are three Units: Two (2) production Units being the Barron Flats Shannon Miscible Flood Unit (57.7% WI); and the Cole Creek Unit (66.7%); as well as one unitized exploration area - the Barron Flats Federal Unit (Deep). The purpose of the formation of these Units is to align the various Lessors' interests through the terms of their respective leases with those of the working interest holders (the "Lessees") whose working interest is defined through the Unit.

Relationships between the Lessees are governed by an Unit Operating Agreement. The Unit Operating Agreement (UOA) in the oil and natural gas industry is an underlying contractual framework of the operation of the Unit. The UOA is a contract where two or more parties agree to undertake a common task to explore and exploit an area for hydrocarbons. There are UOAs for each of the three Unit Areas. In two of the Unit Operating Agreements - BFU Deep) and Barron Flats Shannon there are two other partners – Cuda Oil and Gas Limited and CNOOC. In the Cole Creek UOA, only Atomic and Cuda are participating parties. In all three UOA's the participating parties have appointed SWP as the Operator of the Unit and as such SWP is also a party to the UOA. SWP is wholly owned by the Company. The participating parties respective interests in each Unit Area are as follows:

ATOMIC Wyoming leases	Cole Creek Unit Non-unit lands 66.67% W.I. (acres)	Barron Flats Federal Deep Unit 55.56% W.I. Barron Flats Miscible Flood Unit 57.71% W.I. (acres)	Total Acreage
Total Gross Acres	21,940.53	26,051.24	47,991.77

The Operator is responsible for the day-to-day management and operation of the field. The main duty of the Operator is to carefully plan the activities in order to increase the profitability of the operations, however, it is not usually liable for any loss of production or revenues as a result of its decisions except in cases of gross negligence and/or wilful misconduct.

As the name suggests, parties other than the Operator are designated as “non-Operator(s).” The most important duty of non-Operator is to answer any cash-calls as the operation requires. Non-Operators form part of the Unit Operating committee ("UOC") which oversees the activities of Operator. The voting rights of Operators and non-Operators in the UOC are as per the interest they hold in the UOA.

There are a number of model UOA's like that of the American Association of Petroleum Landmen 610 (AAPL), Association of International Petroleum Negotiators 2002 (AIPN), Canadian Association of Petroleum Landmen 2007 (CAPL), and Oil and Gas UK Standard JOA 2007 (OGUK) which specifies and details different features of the UOA. A typical UOA will include the following:

- Duration of the Agreement
- Parties to the Agreement
- Parties participating Interests
- Scope of Work
- Exclusive Operations
- Designated Operator
- The Unit Operating Committee
- Cost Control and Contracting
- Hydrocarbon Allocation
- Hydrocarbon Lifting and Disposal
- Transfer of Interests
- Withdrawal from UOA
- Liabilities
- Decommissioning
- Default
- Dispute resolution
- Accounting procedure

The various UOAs related to the Wyoming Assets are consistent with these generalities.

With respect to OPL 226, the Group through its joint venture company owns shares in the licence holder 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.

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 African Production Facilities

Sub-Saharan 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 as a consequence of the COVID-19 pandemic, 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.

ShoreCan 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.

Potential Undisclosed Liabilities Associated with the Atomic Acquisition

In connection with the Atomic Acquisition, there may be liabilities that we failed to discover or were unable to quantify in our due diligence which we conducted prior to the execution of the Atomic Acquisition's acquisition agreement. While the agreement included customary representations and warranties appropriate for a transaction of this nature, we may not be indemnified for some or all of these liabilities.

Risks Related to the Group

Operating in African Countries

The Group carries on business in African countries such as Nigeria and intends to carry on business in other African countries in the future.. 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 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 intends 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 of 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.

On the first day of President Biden's administration, the United States re-joined the Paris Agreement. 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 1 January, 2020 or 1 January 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 in Africa than that in North America and may be insufficient for our needs at commercially acceptable terms in some of 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 – United States

In the United States, the primary way that politics can affect oil and gas development is in the regulatory sense. Typically, an oil and gas company is covered and protected by a range of regulations that limit where, when and how hydrocarbon extraction is performed. This interpretation of laws and regulations can also differ from state to state. That said, political risk generally occurs when oil and gas companies are faced with changing narratives of differing political parties with respect to oil field operations or climate change opinions.

For example, COPL updated its Shareholders, investors and the market on January 28, 2021 on the Company's view of the new Presidential Executive Order pertaining to the US Federal Oil and Gas Leases as it relates to COPL's acquisition of Atomic Oil and Gas LLC and its related entities ("Atomic") that was announced on December 16, 2020. The Company believes that the Executive Order signed by the President of the United States will have a largely positive effect on COPL's Atomic Acquisition. The statement by the President of the United States on signing the Executive Order stated the following:

No new US Federal Oil and Gas Leases will be issued offshore, or onshore through the Bureau of Land Management an arm of the US Department of the Interior. There will be a review of existing leases and permitting for oil and gas operations conducted on Federal lands. There will be no ban on Hydraulic Fracking ("Fracking"). Legacy suspended wells on Federal Leasehold are to be abandoned to reduce methane emissions. Operations on Federal lands shall be conducted with regards to the nation's climate objectives.

The Corporation believes the Executive Order signed on January 28, 2021 by the President of the United States to have a largely positive effect, and limited negative effects on COPL's Atomic Acquisition for the following reasons:

Atomic requires no additional Federal Oil and Gas Leases to conduct its operations. Atomic's Federal Leasehold is in good standing. Atomic holds operating working interests in approximately 47,992 acres of contiguous leasehold (the "Leasehold") in the State of Wyoming. The Leasehold is a combination of the following: Fee Simple Freehold Leases; State (Wyoming) Leases; and Federal Leases. These interests are defined as the "Lessors". Within the Leasehold there are three Units: Two (2) production Units being the Barron Flats Shannon Miscible Flood Unit (57.7% WI) and the Cole Creek Unit (66.7%); as well as one unitized exploration area - the Barron Flats Federal Unit (deep).

The purpose of the formation of these Units is to align the various Lessors' interests through the terms of their respective leases with those of the working interest holders (the "Lessees") whose working interest is defined through the Unit. Atomic has secured drilling permits required to continue to conduct the majority of its operations on the critical Federal Leasehold. If in the future operations are restricted from the surface of Federal Leasehold, operations can also be conducted from adjoining Fee Simple or State Leasehold directionally. The Atomic assets have new infrastructure and direct access to pipeline with no legacy abandonment or reclamation liabilities. The Barron Flats Unit facilities are state-of-the-art,

environmentally responsible facilities with zero gas flaring, minimal methane emissions, with required electricity sourced from an adjacent wind farm.

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 institutionalizing 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 historically, and may continue as 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 80% of export revenues.

Nigeria is highly vulnerable to the global economic disruption caused by COVID-19, particularly due to the pronounced decline in oil prices and spikes in risk aversion in global capital markets. Nationally, 40 percent of Nigerians (83 million people) live below the poverty line, while another 25 percent (53 million) are vulnerable. With COVID-19, many of these 53 million vulnerable people could fall into poverty. The magnitude of the health impact depends on the duration and the domestic spread of the outbreak, while the economic impact hinges on oil prices. Oil accounts for over 80 percent of exports, a third of banking sector credit, and half of government revenues. Oil prices also affect growth in non-oil industries and services, with additional pressures arising from foreign portfolio investors' reassessment of risks and domestic liquidity management. www.worldbank.org/en/country/nigeria/overview

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

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 changes in oil and natural gas prices, including as a result of the oil price war that was waged between Saudi Arabia and the Russian Federation two years ago; (ii) the Covid-19 pandemic; (iii) actual or anticipated fluctuations in the Corporation's quarterly results of operations; (iv) recommendations by securities research analysts; (v) changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation; (vi) addition or departure of the Group's executive officers and other key personnel; (vii) sales or perceived sales of additional Common Shares; (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Group or its competitors; and (ix) 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 any 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 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 exercise of the Options or Warrants will have a dilutive effect on existing Shareholders' percentage ownership of the Corporation and may result in a dilution of the Shareholders' interest if the price per Common Share exceeds the subscription/conversion price payable at the relevant time.

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.

The Corporation's listing on the LSE was suspended from March 17, 2021. Suspension was sought as the Atomic Acquisition amounted to a reverse takeover under the UK Listing Rules and the Suspension would prevent further trading in the Company's common shares.

At the time the Suspension was announced, the Company advised the market as to its intention to make a further application to the FCA under the Listing Rules for the cancellation of the Company's listing of its Common Shares (the "Cancellation Application"), ahead of a proposed listing application of the enlarged COPL Group following the Atomic Acquisition. The Cancellation Application was made and, subsequently amended with agreement of the FCA that such cancellation would take place on the same day as, and immediately preceding, the re-admission of the Company's common shares to trading on the LSE. The readmission of the Company's shares to trading and listing on the LSE remains subject to the listing application for which the Company is preparing a prospectus.

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		
	High £	Low £	Volume
<u>2020</u>			
January	0.00100	0.00062	893,886,351
February	0.00160	0.00070	2,373,170,499
March	0.00128	0.00031	1,703,966,388
April	0.00080	0.00032	1,477,251,024
May	0.00060	0.00031	1,064,260,336
June	0.00497	0.00044	6,461,305,499
July	0.00438	0.00250	4,460,651,038
August	0.00599	0.00330	3,597,928,131
September	0.00424	0.00200	1,750,069,878
October	0.00350	0.00190	1,645,694,603
November	0.00270	0.00180	706,463,219
December	0.00336	0.00166	2,784,754,429

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

Month	Common Shares		
	High \$	Low \$	Volume
<u>2020</u>			
January	0.00500	0.00500	220,700
February	0.00500	0.00500	3,970,779
March	0.00500	0.00500	126,017
April	0.00500	0.00500	2,065,397
May	0.00500	0.00500	353,560
June	0.01000	0.00500	33,788,234
July	0.01000	0.00500	14,673,522
August	0.01000	0.00500	11,108,108
September	0.01000	0.00500	7,699,566
October	0.00500	0.00500	1,793,621
November	0.00500	0.00500	1,765,834
December	0.01000	0.00500	18,692,527

Prior Sales

Outlined below is a summary of the securities that COPL issued during the financial year ended December 31, 2020, which are not listed or quoted on a marketplace.

Type of Security	Date Issued	Number of Securities	Conversion/Exercise Price
YARF's Warrants	July 2, 2020	100,000,000	GBP 0.0039 (USD \$0.0049)
Finder's Warrants	July 2, 2020	25,000,000	GBP 0.0039 (USD \$0.0049)
Finder's Warrants	July 24, 2020	48,500,000	GBP 0.0039 (USD \$0.0050)
Options	September 14, 2020	341,609,235	GBP 0.0035 (USD \$0.0045)

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed in "General Development of the Business" in respect of the Agamore proceedings and Essar Mauritius claim, 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 2020, 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 2020, 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 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, 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.

Effective 14 February 2020 (the "Issue Date"), the Corporation entered into a Promissory Note with Arthur Millholland, President and CEO of the Corporation, (the "Holder") for a principal amount of Canadian dollar \$200,000, equivalent of US\$153,000 as at the Issue Date (the "Note"). The Note was repayable by the Corporation six (6) months from the Issue Date ("Maturity") and bore interest in Canadian dollars at a rate of ten per cent (10%) per annum. No payments of interest or principal amount were required by the Corporation prior to Maturity although the Corporation could have elected to prepay a portion or all of the outstanding principal amount of the Note prior to that date. The Note was secured by the Corporation by way of a General Security Agreement over its present and after acquired personal property and was to be guaranteed by the Corporation's subsidiaries.

The terms of the Note were varied, in part, by the Loan Agreement (discussed in "*General Development of the Business – Year – ended December 31, 2020*"), providing for deferral of Maturity until December 31, 2020, or conversion of the loan into Common Shares at the deemed price of £0.003 per share, being the placing price of the Corporation's UK Prospectus, at the option of the CEO. On August 19, 2020, the Promissory Note was replaced with a Secured Convertible Debenture agreement signed with the CEO, which provided for the same terms and conditions as described above and in addition provided for the 10% interest to be paid in cash at Maturity (together the "CEO Loan"). In December 2020, a conversion of CEO Loan was agreed (via a placing agreement signed on December 22, 2020 and on same terms as a UK Placing closed in January 2021) for 57,500,000 units at a deemed £0.002 per unit and value of £115,000 (approximately CAD 200,000) representing a repayment of principal amount of CEO Loan. The interest accrued on the CEO Loan up to December 31, 2020 in the amount of \$14,000 (CAD 17,600) was paid in cash on December 31, 2020. The 57,500,000 Common Shares were issued to the CEO on January 11, 2020.

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	The President and CEO of the Corporation since August 2009. Prior thereto, Mr. Millholland was a Director and the President and CEO of Oilexco Incorporated 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 36 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 and 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.
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 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 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.
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

Name and Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
John Cowan ^{(1), (2), (4)} Sarnia, Ontario	Director	November 10, 2015	<p>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.</p> <p>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 was a director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. Mr. Cowan is the Chair of COPL's Audit Committee and Reserve Committee. In 2004 Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, Maintenance Inventory Optimization firm. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario.</p>
Ryan Gaffney London, United Kingdom	Chief Financial Officer	N/A	<p>Mr. Gaffney has been the Corporation's Chief Financial Officer since July 2020. Prior thereto, Mr Gaffney acted as the Corporation's Interim Chief Financial Officer from June 2020 to July 2020 and has been an advisor and consultant since 2017. He has extensive experience providing corporate finance advice and services to oil and gas companies and mining companies including fundraising, mergers and acquisitions advice. Mr Gaffney was previously Managing Director with investment bank Canaccord Genuity Limited and Canaccord Genuity Corp. where he was employed from 2002 to 2015. He was a Non-Executive Director of Australian Stock Exchange listed Auroch Minerals Limited from 2016 to 2019. He holds a BSBA from the Daniels College of Business at the University of Denver and is founding shareholder and advisor (from 2016 to 2019) to Funder-Inc. (trading as MatchPlay Entertainment Limited), a fundraising platform that uses white-label sweepstakes to incentivise more people to give to good causes they care about on a regular basis.</p>
Rod Christensen Alberta, Canada	Vice-President, Exploration and Exploitation	N/A	<p>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.</p>

<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>
			Mr. Christensen graduated from the University of Washington with a Bachelor of Geological Sciences Degree. He has over 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 Energy plc and a Director of Sallork Limited and Sallork Property Limited. 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 255,589,359 Common Shares, approximately 1.71% of the issued and outstanding Common Shares as at the date of this AIF.

Messrs. Gaffney, Christensen and Mays, 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.

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 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.

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 CSE.

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 and 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 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 was a director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. Mr. Cowan is the Chair of COPL's Audit Committee and Reserve Committee. In 2004 Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, Maintenance Inventory Optimization firm. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario.

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 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.

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 related 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 and other accounting services.

	<u>2019 in USD</u>	<u>2020 in USD</u>
Audit and audit related fees	\$81,478	\$141,599

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.

MATERIAL CONTRACTS

The only material agreements entered into on behalf of the Corporation are the Purchase Agreement, the Atomic Credit Agreement and the Lender Warrant Agreement, which are available on SEDAR at www.sedar.com. See "General Development of the Business - Three Year History" for a description of these contracts.

INTERESTS OF EXPERTS

Deloitte LLP had 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 of the Chartered Professional Accountants of Alberta.

As at the date hereof, the designated professionals of NSAI and Ryder Scott, 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, will be contained in the Corporation's Information Circular for its upcoming annual meeting of security holders that will involve the election of directors and such document will be 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, 2020

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 A-1
PART 2	DISCLOSURE OF RESERVES DATA	Page A-2
PART 3	PRICING ASSUMPTIONS	Page A-8
PART 4	RECONCILIATION OF CHANGES IN RESERVES	Page A-10
PART 5	ADDITIONAL INFORMATION RELATING TO RESERVES DATA	Page A-11
PART 6	OTHER OIL AND GAS INFORMATION	Page A-15
PART 7	OPTIONAL DISCLOSURE OF CONTINGENT RESOURCE DATA AND PROSPECTIVE RESOURCE DATA	Not included

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: April 28, 2021.
2. The effective date of information provided in this statement is as of the Corporation's most recently completed fiscal year ended: December 31, 2020.
3. The date of preparation of the information provided herein is: April 1, 2021.

Part 2 – Disclosure of Reserves Data

The tables contained in this file are a summary of the oil, natural gas and natural gas liquids reserves and the value of future net revenue of Canadian Overseas Petroleum Limited (the “**Corporation**” or “**COPL**”) interests in the Barron Flats and Cole Creek assets in Wyoming, USA. This file is based on the report as evaluated by Ryder Scott Petroleum Consultants (“**Ryder Scott**”) effective as at December 31, 2020 “Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold Interests, Escalated Parameters as of December 31, 2020” for Canadian Overseas Petroleum Limited (“**COPL**”), dated April 1, 2021, (the “**Reserves Report**”). Ryder Scott is an independent qualified reserves evaluator and auditor.

The Reserves Report evaluated the reserves of COPL, an oil, natural gas and natural gas liquids producing company, in Wyoming, United States. The assets of COPL evaluated in the Reserves Reports are a portion of the reserves of COPL and the tables below show the reserves and discounted cashflow values for the company’s interests in the State of Wyoming, USA, as represented by Ryder Scott.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to COPL’s reserves estimated by Ryder Scott represent the fair market value of those reserves. The recovery and reserve estimates of COPL’s oil, natural gas and natural gas liquids reserves provided are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided.

Certain information provided in this document are excerpts from a Ryder Scott report (dated December 31, 2020) and provided here in summary form for your convenience. This information remains subject to the assumptions, limitations and conditions discussed in the full and complete report, including tables, charts and any appendices.

In preparing their reports, Ryder Scott relied upon certain factual information and data furnished by COPL with respect to ownership interests, oil, natural gas and natural gas liquids production, historical costs of operation and development, product prices, agreements relating to current and future operations, sales of production, and other relevant data. The extent and character of all factual information and data supplied were relied upon by Ryder Scott in preparing their report and was accepted as represented without independent verification. Ryder Scott relied upon representations made by the Corporation as to the completeness and accuracy of the data provided and that no material changes in the performance of the properties has occurred nor is expected to occur, from that which was projected in their reports, between the date that the data was obtained for their evaluations and the date of their report, and that no new data has come to light that may result in a material change to the evaluation of the reserves presented in this Summary.

The evaluations were conducted within Ryder Scott’s understanding of petroleum legislation, taxation and other regulations that currently apply to these interests. However, Ryder Scott is not in a position to and did not attest to the property title, financial interest relationships or encumbrances related to the Corporation’s licenses.

The evaluations in the Reserves Reports reflect Ryder Scott’s informed judgment based on the Canadian Oil and Gas Evaluation Handbook Standards but is subject to generally recognized uncertainties associated with the interpretation of geological, geophysical and engineering data. The reported hydrocarbon reserves volumes are estimates based on professional engineering judgment and are subject to future revision, upward or downward, because of future operations or as additional information becomes available.

The following tables are prepared from information contained in Ryder Scott’s COPL Report as of December 31, 2020. Some of the numbers in the following tables may not appear to sum to the stated totals because of rounding in the source tables.

Reserves Data – Breakdown of Reserves

**Table 2.1(1)a: SUMMARY OF CRUDE OIL, NATURAL GAS AND NATURAL GAS LIQUIDS RESERVES
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2020**

UNITED STATES								
	LIGHT/MEDIUM OIL		NATURAL GAS		NATURAL GAS LIQUIDS		BOE EQUIVALENTS ⁽¹⁾	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbl)	(Mbbl)	(MMscf)	(MMscf)	(Mbbl)	(Mbbl)	(MBOE)	(MBOE)
<u>RESERVES CATEGORY ⁽²⁾</u>								
PROVED								
Developed Producing	6,995.06	5,406.33	2,963	2,963	441.72	441.72	7,930.57	6,341.84
Developed Non-Producing	98.75	74.57	-	-	-	-	98.75	74.57
Undeveloped	6,294.37	4,861.86	2504	2,138	372.80	318.08	7,084.53	5,536.23
TOTAL PROVED	13,388.17	10,342.75	5,467	5,101	814.52	759.80	15,113.84	11,952.63
PROBABLE	12,717.15	9,822.36	4,724	3,976	703.82	592.116	14,208.27	11,077.10
TOTAL PROVED PLUS PROBABLE	26,105.32	20,165.12	10,191	9,076	1,518.34	1,351.92	29,322.11	23,029.73

Notes:

- (1) See information related to BOE conversion ratio on page A-19 of this document
- (2) See definitions of “proved and “probable reserves on page A-7 of this document
- (3) Gross volumes are company working interest volumes

Reserves Data – Net Present Value of Future Net Revenue

**Table 2.1(2)a: SUMMARY OF NET PRESENT VALUES
OF FUTURE NET REVENUE BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2020**

UNITED STATES											UNIT VALUE ¹ BEFORE INCOME TAX DISCOUNTED AT 10%
RESERVES CATEGORY ³	BEFORE INCOME TAX (MMS) ²					AFTER INCOME TAX (MMS) ²					(\$/BOE) ⁴
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
PROVED											
Developed Producing	162.54	98.25	66.06	47.99	36.83	127.87	77.26	51.61	37.15	28.13	10.42
Developed Non-Producing	0.47	0.40	0.31	0.23	0.16	0.37	0.31	0.24	0.18	0.12	4.19
Undeveloped	117.02	63.62	35.51	19.47	9.75	92.06	50.03	27.74	15.07	7.45	6.41
TOTAL PROVED	280.03	162.27	101.88	67.69	46.74	220.30	127.60	79.60	52.40	35.70	8.52
PROBABLE	308.14	148.94	79.66	45.42	26.90	242.90	116.80	61.80	34.60	20.00	7.19
TOTAL PROVED PLUS PROBABLE	588.18	311.21	181.54	113.12	73.63	463.20	244.40	141.40	87.00	55.70	7.88

Notes:

- (1) The unit values are based on net reserves
- (2) All values are presented in United States Dollars (USD)
- (3) See definitions of “proved” and “probable” reserves on page A-7 of this document
- (4) See information related to BOE conversion ratio on page A-19 of this document

**Table 2.1(3)a TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
AS AT DECEMBER 31, 2020
FORECASTS PRICES AND COSTS**

UNITED STATES						FUTURE NET REVENUE BEFORE INCOME TAXES
	REVENUE	ROYALTIE S AND BURDENS	OPERATING COSTS	DEVELOPME T COSTS	ABANDONMENT AND RECLAMATION COSTS ³	
	(MMS ⁽¹⁾)	(MMS ⁽²⁾)	(MMS)	(MMS)	(MMS)	(MMS)
<u>RESERVES CATEGORY³</u>						
PROVED						
Developed Producing	443.36	136.26	140.80	0.69	3.07	162.54
Developed Non-Producing	5.55	1.85	2.02	0.96	0.25	0.47
Undeveloped	407.41	128.05	87.44	72.40	2.49	117.02
TOTAL PROVED	856.32	266.16	230.26	74.05	5.81	280.03
PROBABLE	868.20	273.48	155.86	128.16	2.58	308.15
TOTAL PROVED PLUS PROBABLE	1,724.52	539.64	386.12	202.21	8.39	588.18

Notes:

- (1) All values are presented in United States Dollars (USD)
- (2) Royalties and Burdens include Ad Valorem and Production Taxes
- (3) Abandonment and Reclamation costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties.

**Table 2.1(4) FUTURE NET REVENUE BY PRODUCT TYPE
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2020**

TOTAL		FUTURE NET REVENUE BEFORE INCOME TAXES (DISCOUNTED AT 10% /YEAR)	UNIT VALUE NET RESERVE BASIS (\$/MCFe FOR NATURAL GAS) (\$/BBL FOR CRUDE OIL AND NATURAL GAS LIQUIDS (\$/BOE FOR TOTALS)
	PRODUCTION GROUP	(MM\$)	
<u>RESERVES CATEGORY</u> ⁽¹⁾			
Proved	Light and Medium Crude Oil (including Solution Gas and Products)	104.926	9.09
	Conventional Natural Gas (Including Solution Gas and Products)	(3.044)	(1.30)
	Total	101.883	8.52
Proved + Probable	Light and Medium Crude Oil (including Solution Gas and Products)	191.733	8.33
	Conventional Natural Gas (Including Solution Gas and Products)	(10.192)	-
	Total	181.542	7.88

Notes:

- (1) See definitions of “proved” and “probable” reserves on page A-7 of this document
- (2) See information related to BOE conversion ratio on page A-19 of this document

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS
AS AT DECEMBER 31, 2020**

Notes:

1. “Gross Reserves” are the Corporation’s working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation. “Net Reserves” are the Corporation’s working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation’s royalty interests in reserves.
2. “Proved” reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. There is a 90% probability that the actual remaining quantities recovered will exceed the estimated proved reserves.
3. “Probable” reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
4. “Possible” reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.
5. “Developed” reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production.
6. “Developed Producing” reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
7. “Developed Non-Producing” reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
8. “Undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserve classification (Proved, Probable, Possible) to which they are assigned.

Part 3 – Pricing Assumptions

The following tables detail the benchmark reference prices, for the COPL assets in which COPL operated as at December 31, 2020, reflected in the reserves data disclosed above under “Part 2 - Disclosure of Reserves Data”. At the request of COPL, future hydrocarbon price parameters used in the reserve report reflect the future oil and natural gas price forecasts as published by Ryder Scott.

The table below summarizes the “benchmark prices” at the price reference point and the 2020 realized prices used for the geographic area included in the Ryder Scott report. Values are represented in United States currency.

Geographic Area	Product	Average Benchmark Prices	Average Realized Prices
Wyoming	Crude Oil ⁽¹⁾	\$48.25/bbl	\$44.30/bbl
	Natural Gas ⁽¹⁾	\$ 2.54/Mcf	\$ 2.42/Mcf
	NGL Blend ⁽¹⁾	\$20.27/bbl	\$21.23/bbl

Notes:

(1) Prices originate in US dollars

Item 3.1 – No Constant Prices used for this evaluation

**Table 3.2: SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2020**

WYOMING, UNITED STATES USD					
Year	WTI @ Cushing	Mont Belvieu Propane	Brent North Sea Blend	Nymex @ Henry	Colorado Interstate
	\$/bbl	\$/bbl	\$/bbl	\$/MMBTU	\$/MMBTU
2021	48.25	20.27	51.15	2.80	2.54
2022	51.00	21.42	54.06	2.82	2.56
2023	54.00	22.68	57.24	2.85	2.59
2024	57.00	23.94	60.42	2.90	2.64
2025	58.50	24.57	62.01	3.00	2.74
2026	60.00	25.20	63.60	3.05	2.79
2027	61.00	25.62	64.66	3.15	2.88
2028	62.00	26.04	65.72	3.21	2.95
2029	63.50	26.67	67.31	3.28	3.01
2030	65.50	27.51	69.43	3.34	3.07
2031	67.00	28.14	71.02	3.41	3.14
2032	68.34	28.70	72.44	3.48	3.21
2033	69.71	29.28	73.89	3.55	3.28
2034	71.10	29.86	75.37	3.62	3.34
2035	72.52	30.46	76.87	3.69	3.42
2036	73.97	31.07	78.41	3.76	3.49
2037	75.45	31.69	79.98	3.84	3.56
2038	76.96	32.32	81.58	3.92	3.64
2039+	No Further Escalation				

Part 4 – Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Corporation's gross reserves as at December 31, 2019 against such reserves as at December 31, 2020 based on the forecast price and cost assumptions stated on pages 14 and 15 of this document.

Table 4.1a: RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS AS AT DECEMBER 31, 2020

UNITED STATES	Light and Medium Oil			NGL/Condensate			Associated and Non-Associated Gas		
	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMscf)	(MMscf)	(MMscf)
31-Dec-19	-	-	-	-	-	-	-	-	-
Extensions and Improved Recovery	-	-	-	-	-	-	-	-	-
Workovers/Interventions	-	-	-	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-	-	-	-
Technical Revisions	-	-	-	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-	-	-	-
Acquisitions	13,388.17	12,717.15	26,105.32	814.52	703.82	1518.34	5,467	4,724	10,191
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-
31-Dec-20	13,388.17	12,717.15	26,105.32	814.52	703.82	1518.34	5,467	4,724	10,191

Notes:

- (1) See definitions of “Proved” and “Probable” Reserves on page A-7 of this document.

Part 5 – Additional Information Relating to Reserves Data

5.1 Undeveloped Reserves (all volumes reported in this section are for COPL's working interest)

Undeveloped reserves are attributed by Ryder Scott Canada in accordance with standards and procedures contained in the COGE Handbook. COPL attributes Proven or Probable Undeveloped Reserves on the basis of those Reserves expected to be recovered from known accumulations where significant expenditure (for example when compared to the cost of drilling a well) is required to render them capable of production. "Proved" Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. "Probable" Reserves are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves. COPL's plans for development of its Proved Undeveloped Reserves (PUDs) and its Probable Undeveloped Reserves (PROBs) are outlined in the below sections

UNITED STATES (BFU) - FUTURE DEVELOPMENT

The Barron Flats property produces from the BFU Shannon Oil Pool. Over a large portion of the pool, miscible gas flooding is currently underway, a project which received regulatory approval in 2019. As of December 31, 2020, Phase 1 of the Miscible Flood Recovery Scheme is substantially online, with eight operational injection wells and thirty-two operational producing wells within the BFU Gas Flood area. As well, most of the required large equipment purchases for purposes of gas flood operations have already occurred.

Development completed by the end of 2020 within the BFU Gas Flood area consisted of converting the BFU 24-20V well to an injector during the month of December. This injector began operation during December 2020.

The client has plans for an additional drilling of 37 wells within the Shannon pool starting in January 2022. Based on the proposed development schedule provided by the client, and net pay mapping completed by Ryder Scott, 24 new locations were included as proved undeveloped reserves, and 13 additional locations were assigned probable undeveloped reserves.

Based on information provided by the client at the time of report compilation, Ryder Scott has estimated the drilling schedule and scheduled future drilling in accordance with that schedule and our reserve categorization. It is recognized that the client may have plans to modify the timing of the well drilling (space out the drilling over 2022 and 2023) and the assumed schedule may change. Generally speaking, capital is forecast to be invested one month prior to the online date.

UNITED STATES (COLE CREEK) - FUTURE DEVELOPMENT

COPL plans to drill 48 new horizontal wells in the Dakota and Frontier 2 pools; this is comprised of 17 proved undeveloped locations and 31 probable undeveloped locations. In the near term, COPL plans to drill 1 Dakota horizontal oil well and 1 Frontier 2 horizontal oil wells in 2021, followed by 1 Dakota and 3 Frontier 2 horizontal oil wells in 2022. Ryder Scott has based these assumptions on information provided by the client

at the time of report compilation and recognizes that the plan and timing schedule could change. There are currently 9 producers in the Cole Creek field

In 2021, COPL is also planning four or more Frontier 2 uphole recompletions/stimulations of existing wellbores. These are expected to come on production between September and November 2021.

5.2 *Significant Factors or Uncertainties Affecting Reserves Data*

The estimation of Reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Corporation's estimates are based on current production forecasts, prices and economic conditions. All of the Corporation's Reserves are evaluated by Ryder Scott, an independent engineering firm. As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Corporation to ensure that Reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves, the accuracy of the reserve estimate improves.

Certain information regarding the Corporation set forth in this report, including management's assessment of the Corporation's future plans and operations contain forward looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks that could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans; risks associated with the uncertainty of reserve estimates; health and safety risk; and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Corporation faces in this market. The Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, and if any of them do, what benefits the Corporation may derive therefrom. The reader is cautioned not to place undue reliance on this forward-looking information.

The Corporation anticipates that any future exploration and development costs associated with its Reserves will be financed through combinations of internally generated cashflow, debt and/or equity financing

Information Concerning Abandonment and Reclamation Costs

The estimated Abandonment, Decommissioning and Reclamation (ADR) costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties. These costs are based on discussions with COPL's engineering personnel who, in turn, evaluated information provided by field and technical personnel with experience in the oil and gas basins in which the company operates. The Corporation expects to incur zero ADR costs in 2020. All future abandonment and reclamation costs are deducted in determining Future Net Revenues. ADR costs for all evaluated properties included in the Ryder Scott Reserve Report have been included in the tables below.

Table 5.2: FUTURE ABANDONMENT AND RECLAMATION COSTS

Year	Total Proved Estimated Using Forecast Prices and Costs⁽¹⁾ (Undiscounted) (MMS)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs⁽¹⁾ (Undiscounted) (MMS)
2021	0.14	0.14
2022	0.19	0.19
2023	0.04	0.04
Total for three years	0.37	0.37
Remainder	5.44	8.02
Total for all years	5.81	8.39

Notes:

- (1) Costs reflect well abandonments for entities forecast in the reserve report, plus Abandonment, Decommissioning, and Reclamation (ADR) costs for non-reserve wells and facilities.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the proved and probable reserves.

**Table 5.3: FUTURE DEVELOPMENT COSTS
AS OF DECEMBER 31, 2020
FORECAST PRICES AND COSTS**

Year	UNITED STATES	
	Proved Reserves MM\$	Proved plus Probable Reserves MM\$
2021	3.3	3.3
2022	20.6	32.1
2023	13.4	21.4
2024	5.4	5.4
2025	15.2	17.7
Remaining	16.2	122.3
Total (undiscounted)	74.1	202.2

The Corporation's current cash balance, internally-generated cash flow and future debt and equity placements could allow the Corporation to complete the development costs specified above. It is anticipated that the cost arising from debt that may be placed to fund future development activities will reflect rates for asset-based lending prevailing in Canada and the United States. The effect of the costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

Part 6 – Other Oil and Gas Information***Oil and Gas Properties and Wells***

The following table sets forth the number of wells in which the Corporation held a working interest as at December 31, 2020:

Table 6.1a: United States – Wyoming ⁽¹⁾

Wyoming	CRUDE OIL		NATURAL GAS	
	Gross	Net	Gross	Net
Producing	41	24.5	-	-
Non-Producing	1	0.6	-	-
Total	42	25.0	-	-

Notes:

(1) Excludes injection wells (8 gross, 4.6 net) and water disposal wells (1 gross, 0.6 net).

Properties with no Attributed Reserves

Suspended wells with no reserves assigned were assigned Abandonment, Decommissioning, and Reclamation (ADR) costs in accordance with expected costs for this activity. These costs are captured in the values presented in Table 5.2.

6.2.1 Significant Factors or Uncertainties Relevant to Properties with no Attributed Reserves

No additional liabilities were forecast in this report in addition to those scheduled in Table 5.2. It is more than likely that for the next three years, there will be no requirements to abandon wells in either of the two Wyoming fields.

6.3 Forward Contracts

The Corporation had no forward contracts pertaining to the evaluation that have been disclosed to Ryder Scott.

6.5 Tax Horizon

COPL was not required to pay income taxes during 2020 as the Wyoming asset acquisition's final closure date was March 16, 2021. Accordingly, Atomic's results (profit/loss) for Dec 2020 will be reported in the Seller's tax returns. COPL expects to begin paying Corporate income taxes on the Wyoming assets in 2021.

For a discussion of COPL's overall tax status, please see COPL's audited consolidated comparative financial statements for the year ended December 31, 2020 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR at www.sedar.com.

6.6 Costs Incurred

The following table summarizes the Corporation's capital expenditures incurred during the year ended December 31, 2020:

Table 6.6a: COSTS INCURRED IN 2020 – United States (US MM\$)

	<u>Property Acquisition Costs</u>	<u>Proved Properties</u>	<u>Unproved Properties</u>	<u>Exploration Costs</u>	<u>Development Costs</u>
Wyoming	5.0				

Note: COPL acquired the Wyoming assets with an effective date of December 1, 2020. During December, an initial 5.0 USMM\$ deposit was made to Atomic as part of the overall 54 USMM\$ acquisition cost. The reset of the acquisition cost was paid in the first quarter of 2021. The development costs spent earlier in 2020 were incurred by Atomic/SWP and the joint venture partners.

6.7 *Exploration and Development Activities*

The following table summarizes the Corporation's drilling results. The company drilled 5 gross wells in the Wyoming property. There were no service wells or stratigraphic test wells drilled. COPL acquired the Wyoming assets effective December 1, 2020. The 5 wells drilled were completed earlier in 2020 by the previous joint venture partners.

Table 6.7: EXPLORATION AND DEVELOPMENT ACTIVITIES, UNITED STATES

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
2020						
Wyoming			5	2.9	5	2.9
Dry and Abandoned			0	0	0	0
Total wells			5	2.9	5	2.9
Success Rate (%)			100%	100%	100%	100%
Average Working Interest (%)			-	57.71%	-	57.71%

The exploration and development activities planned for Wyoming for the 2020 year principally targets a continuation of the development of the Shannon pool in Barron Flats Unit and drilling of horizontal wells targeting the Frontier 2 and Dakota formations in Cole Creek.

6.8 *Production Estimates*

The following table is a summary of the gross (prior to royalties) volume of the Corporation's estimated production for 2020, which is reflected in the estimate of future net revenue in the Reserves Reports based on forecast prices and costs.

Table 6.8a: ESTIMATED 2021 PRODUCTION

Full Field Interest Production Category	Light and Medium Crude Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Associated and Non-Associated Natural Gas (MMscf)	Oil Equivalent (MBOE) ⁽¹⁾
Gross Proved Production				
United States	403.1	19.4	130	444.2
Gross Proved plus Probable Production				
United States	437.5	21.0	141	482.1

Notes:

(1) See information related to BOE conversion ratio on page A-19 of this document

6.9 Production History and Per Unit Results

The following tables summarize certain information in respect of production, product prices, royalties paid, royalties received (if applicable), and production taxes paid, operating expenses and resulting netback for the periods indicated below:

**Table 6.9-1: History and Per Unit Results
For Canadian Overseas Petroleum Limited**

SUMMARY OF 2020 COMPANY SHARE OF PRODUCTION AND NETBACKS For Canadian Overseas Petroleum Limited					
RESERVE_CATEGORY	Q1	Q2	Q3	Q4	Total
Average Daily Production					
Light and Medium Crude Oil (bbls/d)	716	650	767	789	731
Natural Gas (Mcf/d)*	365	462	510	475	454
NGLs (bbls/d)					
Total (boe/d)	777	727	852	868	807
Average Price Received					
Light and Medium Crude Oil (\$/bbl)	41.51	22.36	38.62	38.75	35.31
Natural Gas (\$/Mcf)*					
NGLs (\$/bbls)					
Combined (\$/boe)	41.51	22.36	38.62	38.75	35.31
Royalties and Production taxes					
Light and Medium Crude Oil (\$/bbl)	8.57	5.41	8.33	8.18	7.77
Natural Gas (\$/Mcf)*					
NGLs (\$/bbls)					
Combined (\$/boe)	8.57	5.41	8.33	8.18	7.77
Operating Expenses (including transportation)					
Combined (\$/boe)	14.43	21.63	15.67	13.41	15.87
Netback Received (\$/boe)	18.51	-4.68	14.62	17.16	11.67

Note: See Information related to BOE conversion ratio on page A-19 of this document.

* All produced natural gas from Barron Flats Unit is reinjected and not sold. No royalties are collected. Cole Creek gas rates are too small to measure. NGL's are not measured separately in either field.

ABBREVIATIONS AND CONVERSION

CRUDE OIL AND NATURAL GAS		NATURAL GAS	
bbl	barrel	Mscf	thousand standard Cubic feet
bbls	barrels	MMscf	millions standard Cubic feet
Mbbls	thousands of barrels	MMscf/d	thousand standard Cubic feet per day
MMbbls	millions of barrels	MMBTU	million british thermal units
MSTB	1,000 stock tank barrels	Bscf	billion standard Cubic feet
bbls/d	barrels per day	GJ	gigajoule
NGLs	natural gas liquids		
STB	stock tank barrels of oil		
STB/d	stock tank barrels of oil per day		

OTHER

BOE	Barrel of oil equivalent on the basis that 1 barrel of oil is equivalent to 6 Mscf of natural gas. BOE's may be misleading, particularly if used in isolation. A BOE conversion ration of 1 barrel of oil for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.
BOE/d	Barrel of oil equivalent per day
m ³	Cubic meters

**APPENDIX B
FORM 51-101F2**

**REPORT ON RESERVES DATA
BY
RYDER SCOTT COMPANY-CANADA**

To The Board of Directors of Canadian Overseas Petroleum Limited. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2020. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2020, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves 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 reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to prove plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2020, and identifies the respective portions thereof that we have evaluated and reported on to the Company’s management:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (USD M\$)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2020	United States	\$0	\$181,542	\$0	\$181,542

6. In our opinion, the reserves 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 reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves 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:

Ryder Scott Company-Canada, Calgary, Alberta, Canada

Execution Date: Dated as of the 28th day of April, 2021

Signed by: *'Original Signed by'*
David P. Haugen, P.Eng.
Senior Vice President

**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 reserves data and prospective reserves data.

An independent qualified reserves evaluator has evaluated the Corporation's contingent reserves data and prospective reserves 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 proven and probable reserves 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 proven and probable reserves 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; and
- c) the content and filing of this report.

Because the proven and probable reserves 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

April 28, 2021

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 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.