

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not Applicable.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to senior convertible bonds and common share purchase warrants (collectively, “**Securities**”) of Canadian Overseas Petroleum Limited (the “**Company**” or the “**Issuer**”).

The Company’s address is:

3200, 715-5th Avenue SW
Calgary, Alberta
T2P 2X6

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The acquisition of the Securities took place by way of private transaction and not through the facilities of any stock exchange or other marketplace.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Anavio Equity Capital Markets Master Fund Limited (“**Anavio**”)
PO Box 309
Ugland House, Grand Cayman
KY1-1104, Cayman Islands

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On July 26, 2022, pursuant to a purchase agreement dated July 18, 2022, Anavio acquired beneficial ownership of senior convertible bonds with an aggregate principal amount of US\$16,800,000, of which US\$8,400,000 mature in 2024 and US\$8,400,000 million mature in 2025. The senior convertible bonds are convertible into 83,958,000 common shares in the capital of the Issuer (“**Shares**”). Concurrently, Anavio acquired beneficial ownership of 42,398,790 common share purchase warrants expiring 30 months from the issue date, each of which is exercisable prior to the expiry date to subscribe for one Share for a subscription price of £0.1675.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

Reference is made to Item 2.2. Immediately prior to the acquisition, Anavio did not own or exercise control or direction over any Shares. Immediately following the closing of the transaction, Anavio held US\$16,800,000 aggregate principal amount of US\$200,000 senior convertible bonds of the Issuer (of which US\$8,400,000 mature in 2024 and US\$8,400,000 mature in 2025) which are convertible on their terms into 83,958,000 Shares of the Company; and 42,398,790 common share purchase warrants of the Company expiring 30 months from the issue date, each of which is exercisable prior to the expiry date to subscribe for one Share for a subscription price of £0.1675. The conversion in full of the bonds would result in the issuance of Shares representing approximately 26% of the currently issued and outstanding Shares, and the exercise of the warrants would result in the issuance of Shares representing approximately 15% of the currently issued and outstanding Shares (taking into account the Shares issued upon such conversion or exercise, as applicable, and such interests of Anavio would be approximately 20% and 10%, respectively, if all of the bonds and warrants issued by COPL to Anavio and other investors were to be exercised).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Reference is made to Item 3.1.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the completion of the offering, Anavio did not own or exercise control or direction over any Shares.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

Reference is made to Item 3.1.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Reference is made to Item 2.2. The consideration paid for senior convertible bonds was an aggregate principal amount of US\$16,800,000 (C\$21,643,440) US\$8,400,000 (C\$10,821,720) maturing in 2024 and US\$8,400,000 (C\$10,821,720) maturing in 2025), with a principal amount of US\$200,000 (C\$257,660) per bond. No additional consideration was paid for the warrants.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Reference is made to Item 4.1.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer’s business or corporate structure;**
- (g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Anavio acquired the Securities for investment purposes. Anavio intends to review its investment in the Company on a continuing basis and may determine to buy additional

securities, or sell all or some of the securities it holds, depending upon price, market conditions, availability of funds, evaluation of alternative investments and other factors it considers relevant from time to time.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of July 27, 2022

By (signed) “Jon Howard”
Name: Jon Howard
Title: Chief Operating Officer