

Canadian Overseas Petroleum Significantly Increases Reserves and Values

London, United Kingdom; Calgary, Canada: September 12, 2022 - Canadian Overseas Petroleum Limited ("COPL" or the "Company") (**XOP**: CSE) & (**COPL**: LSE), an international oil and gas exploration, production and development company with operations focused in Wyoming, USA, is pleased to announce a material increase to its Proved ("1P Reserves") and Proved plus Probable Oil and Gas Reserves ("2P Reserves") and 1P and 2P Discounted Net Revenue Before Tax ("NPV") resulting from the acquisition of the assets of Cuda Energy LLC ("Cuda").

The Company has received a Reserve Report (the "Report") prepared by Ryder Scott Company LP dated September 2, 2022 and effective as at July 31, 2022 to reflect the addition of the assets of Cuda acquired on July 26, 2022. The Report is compliant to Canadian regulatory requirements pursuant to National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

Material increases to COPL's 2P Reserves and NPV from those as at December 31, 2022 were due to the addition of the complimentary Cuda assets and the increase in crude oil prices as at July 31, 2022, which were as follows:

- Net Working Interest ("WI") 1P Reserves after royalties increased **47.2%**;
- Net WI 2P Reserves after royalties increased **38.5%**;
- Discounted 1P NPV increased **93.2%**;
- Discounted 2P NPV increased **90.8%**;
- Net 1P Reserves Unit Value increased **31.2%**, and
- Net 2P Reserves Unit Value increased **37.8%**.

	<u>As at December 31, 2021</u>	<u>As at July 31, 2022</u>
Net WI Total (1P) Proved Reserves (boe)	11,730,222	17,272,220
Net WI Total (2P) Proved plus Probable Reserves (boe)	22,636,519	31,348,608
Total 1P NPV at 10% (US\$M)	\$131,893	\$254,833

Total 2P NPV at 10% (US\$M)	\$257,860	\$492,073
Net 1P Reserves Unit Value at 10% (US\$/boe)	\$11.24	\$14.75
Net 2P Reserves Unit Value at 10% (US\$/boe)	\$11.39	\$15.70

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.
2. **"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.
3. **"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.
4. **"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.

Arthur Millholland, President & CEO, commented:

"The updated reserves of the Company and the significant increase in COPL's 2P NPV 10% to \$492 million illustrate the benefit of the timing of our acquisition of the Cuda assets in a high oil price environment. We purchased these assets for \$19.15 million with the incremental reserves acquired at a cost of \$2.20 per barrel. This is a remarkable metric to the comparative valuation of the 2P Reserves of \$15.70 per barrel as at July 31, 2022. We will continue to release updates to the market as we work through our plan as presented earlier this year."

Summary tables from the Company's Reserve Reports as at December 31, 2021 and July 31, 2022 can be found on the Company's website www.canoverseas.com.

About the Company:

COPL is an international oil and gas exploration, development and production company actively pursuing opportunities in the United States with operations in Converse County, Wyoming, and in sub-Saharan Africa through its ShoreCan joint venture company in Nigeria, and independently in other countries.

The Company's Wyoming operations are one of the most environmentally responsible with minimal gas flaring and methane emissions combined with electricity sourced from a neighbouring wind farm to power production facilities.

For further information, please contact:

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The Common Shares are listed under the symbol "XOP" on the CSE and under the symbol "COPL" on the London Stock Exchange.

This news release contains forward-looking statements. The use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for operations, delays, or changes in plans with respect to exploration or development projects or capital expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since the Company can give no assurance that they will prove to be correct since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Canadian Overseas Petroleum Ltd. For example, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, cost overruns, health and safety issues, political and environmental risks, commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry could cause actual results to vary materially from those expressed or implied by the forward-looking information. Forward-looking statements contained in this news release are made as of the date hereof and Canadian Overseas Petroleum undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.