Anavio Equity Capital Markets Master Fund Limited Announces Acquisition of Additional Securities of Canadian Overseas Petroleum Limited

London, United Kingdom; Calgary, Canada, January 3, 2022 – Anavio Equity Capital Markets Master Fund Limited ("**Anavio**") reports that on December 30, 2022, it completed the purchase of additional senior convertible bonds due in 2025 for an aggregate principal amount of US$4,000,000 (the "**New Bonds**"), which will be consolidated and treated as a single series with the US$12,600,000 senior convertible bonds due in 2025 issued by the Company on 26 July 2022 (the "**Existing Bonds**" together with the New Bonds, the "**Bonds**"), convertible into 25,268,460 common shares ("**Common Shares**") in the capital of Canadian Overseas Petroleum Limited ("**COPL**"); and the acquisition, for no additional consideration, of warrants ("**Warrants**") providing for the right to acquire 12,760,572 Common Shares (together with the Bonds, the "**Securities**").

The New Bonds will have substantially the same terms as the Existing Bonds under the supplemental bond instrument dated December 30, 2022. The Securities were purchased directly from COPL and not through the facilities of any stock exchange or other marketplace.

Immediately prior to the acquisition, Anavio did not own or exercise control or direction over any Common Shares. The full conversion of the Bonds would result in the issuance of Common Shares representing approximately 44.1% of the currently issued and outstanding Common Shares, and the exercise of all Warrants would result in the issuance of Common Shares representing approximately 19.9% of the currently issued and outstanding Common Shares (in each case, after giving effect to such conversion or exercise, as applicable, and such interests of Anavio would be approximately 26.9% and 12.2%, respectively, if all of the Bonds and Warrants issued by COPL to Anavio were to be exercised).

Anavio intends to hold the Securities for investment purposes. Subject to compliance with applicable laws and contractual restrictions on transfer, Anavio may determine to purchase additional Common Shares, or sell all or some of the Securities and Common Shares it holds, depending upon the price of Common Shares, market conditions, and other factors.

COPL's head office is located at 3200, 715-5th Avenue SW, Calgary, Alberta, T2P 2X6.

Anavio will file an early warning report with the securities regulators with respect to the foregoing matters pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, a copy of which will be available under COPL's profile on SEDAR at www.sedar.com.