



Canadian Overseas Petroleum

Update on Disagreement between ShoreCan and Essar Mauritius

Calgary, Canada, October 16, 2018 - Canadian Overseas Petroleum Limited ("**COPL**" or the "**Company**") (XOP: TSX-V) & (COPL: LSE), an international oil and gas exploration and development company focused on offshore Africa, previously disclosed in an announcement made on 16 August 2018, that its 50% owned joint venture company, Shoreline Canadian Overseas Petroleum Development Corporation ("**ShoreCan**"), is in disagreement with Essar Exploration and Production Limited Mauritius ("**Essar Mauritius**") regarding compliance under the Essar Nigeria Shareholders Agreement (the "**Shareholder Agreement**").

The Shareholder Agreement governs the relationship between ShoreCan and Essar Mauritius in respect of their interests in Essar Exploration and Production Limited (Nigeria) ("**Essar Nigeria**"), ShoreCan has an 80% interest in Essar Nigeria, which has a 100% contracted interest in OPL226, which is located in shallow to mid-water offshore Nigeria.

The parties have exchanged correspondence setting out their respective positions but no formal proceedings have been issued in respect of the dispute and no other action has been taken by either party. The correspondence to date has only reinforced the Company's view that ShoreCan has several valid defences and counterclaims to any action that might be brought by Essar Mauritius in the event that the current disagreement escalates. In the meantime, ShoreCan continues to pursue the completion of the financing initiatives previously announced for OPL 226 and Essar Nigeria continues to operate as before.

Arthur Millholland, President and CEO, commented: "As previously stated, we are frustrated with the claims being brought forward by Essar Mauritius, but ShoreCan remains of the view that the allegations brought forward by Essar Mauritius are without foundation or merit. We continue to press ahead with our OPL226 project and we will provide further updates in due course."

About the Company:

The Company is actively pursuing opportunities in Nigeria and sub-Saharan Africa in partnership with Shoreline Energy International Limited ("Shoreline") as part of its strategy to generate stable cash flow from secure offshore and onshore assets. The Company and Shoreline, through their jointly-held affiliated company Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan"), have acquired 80% of the share capital, and have taken over the management of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"). ShoreCan has applied to the concessionaire NNPC for formal consent for the change in control of Essar Nigeria. Essar Nigeria holds an attractive oil appraisal and development project in shallow to mid-water offshore Nigeria on its 100% holding in



OPL 226. Drilling of the first appraisal well is planned to commence in 2018. ShoreCan continues building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria and the Company and Shoreline have been awarded the PT-5b exploration license onshore Mozambique in the 5th Licensing Round adjacent to the producing Pande-Temane Gas and light oil field complex.

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

For further information, please contact:

Mr. Arthur Millholland, President & CEO

Canadian Overseas Petroleum Limited

Tel: + 1 (403) 262 5441

Cathy Hume

CHF Investor Relations

Tel: +1 (416) 868 1079 ext. 231

Email: cathy@chfir.com

Harriet Jackson/Charles Goodwin

Yellow Jersey PR Limited

Tel: +44 (0) 75 4427 5882

Email: copl@yellowjerseypr.com

Broker: London Stock Exchange

Shore Capital Stockbrokers Limited

Edward Mansfield

Phone: T: +44 20 7468 7906

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.



WWW.CANOVERSEAS.COM

 [@COPLinvestor](https://twitter.com/COPLinvestor)

3200, 715-5th Avenue SW
Calgary, Alberta, Canada T2P 2X6
+1.403.262.5441 P
+1.403.263.3251 F

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release



WWW.CANOVERSEAS.COM
 @COPLinvestor

3200, 715-5th Avenue SW
Calgary, Alberta, **Canada** T2P 2X6
+1.403.262.5441 P
+1.403.263.3251 F

