



## Independent Resource Report Confirms Wyoming Oil Discovery

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**London, United Kingdom; Calgary, Canada: August 05, 2022** – Canadian Overseas Petroleum Limited and its affiliates (“COPL” or the “Company”) (XOP: CSE) & (COPL: LSE), an international oil and gas exploration, production and development company with production and development operations focused in Converse and Natrona counties, Wyoming, USA, has received a Resource Report (the “Report”) prepared by independent energy consultancy Ryder Scott dated July 29, 2022 confirming its deep oil discovery (the “Discovery”) on its affiliate COPL America Inc’s lands in Converse and Natrona counties, Wyoming.

The Report was commissioned by COPL to supplement its internal assessment of crude oil resources in its Discovery disclosed to the market in January 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”) which stress conservatism to the evaluation. The geologic interpretations, reservoir determinations and risk assessments are Ryder Scott’s, and as such independent of the Company.

### Highlights

- Confirms the Wyoming deep discovery has total Original Oil in Place of 993.5 million barrels
- It is independent verification of the oil Discovery announced in January 2022
- These are conservative estimates complying with Canadian standards
- The Report:
  - Supports the Company’s conclusion that the Frontier 2 and Dakota discoveries are large stratigraphic oil accumulations encompassing the reserves at the Company’s operated 100% WI Cole Creek field;
  - Outlines 118 horizontal well locations to exploit the identified Frontier 2 and Dakota Reserves and Resources
- COPL plans to drill one horizontal Frontier 1 well and two horizontal Frontier 2 wells as part of its 2022-23 drilling campaign commencing in Q4 2022 with two of the horizontals offsetting the 14-30V discovery well drilled in Q3 2021.

**Arthur Millholland, President & CEO, commented:** *“This independent Report validates what we announced at the start of the year and highlights the significant potential of our fantastic Wyoming asset. Compiled to Canadian regulatory standards, the Report gives a conservative view, and we expect to see further exploration upside in due course once our drilling program gets under way in the coming months.*



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*Following on from the recent financing and completion of the Cuda Energy acquisition, this Report is another step forward as we transform into an oil producer of scale.”*

## **Investor Meet Company Webinar**

The Company will be hosting an investor webinar via the Investor Meet Company platform on Monday August 8, 2022 at 4pm (UK) to discuss the Resource Report and other recent updates. The meeting is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and "add to meet" Canadian Overseas Petroleum Limited via: <https://www.investormeetcompany.com/canadian-overseas-petroleum-limited/register-investor>. Investors who already follow COPL will be automatically invited.

## **Summary of Report**

The Report only evaluates COPL's working interest leasehold at the Cole Creek Unit, the non-unit working interest leasehold immediately to the north and east of Cole Creek and includes the western portion of the Barron Flats Federal Deep Unit. *(The Report does not evaluate the full extent of the Frontier 1 and Frontier 2 as mapped by the Company outside of these lands.)* Prospective Resources in the Report were determined probabilistically with the associated risk factors determined by Ryder Scott. Contingent Resources in the Report were determined deterministically based on the parameters used in the evaluation of the Company's Oil and Gas Reserves at Cole Creek.

COPL discovered oil in five reservoir sands in the Upper Cretaceous Frontier 1 (3 reservoir sands), Frontier 2 and Lower Cretaceous Dakota Formations in the BFU Fed 14-30VF well, which was drilled and completed in the third quarter of 2021. The Report classifies crude oil resources in the Frontier 1 Formation as Prospective Resources. Crude oil resources in the Frontier 2 and Dakota Formations are classified as Contingent Resources ("1C", "2C" and "3C"), which are complementary to Proven Producing and Undeveloped ("1P"), Probable Producing and Undeveloped ("2P") booked by the Company at its Cole Creek Unit as the Frontier 2 and Dakota are considered to be single oil accumulations respectively.

## **Summary of the Total Original Oil in Place ("OOIP") at the asset**

- **Frontier 1:** 704,728,000 Bbls.
- **Frontier 2:** 217,365,000 Bbls.
- **Dakota:** 71,379,000 Bbls.
- **Total OOIP:** 993,472,000 Bbls.

## **Frontier 1 Formation**

The Report has classified the oil resources in the Frontier 1 Formation and its three reservoir sands as Prospective Resources. The Report assumes the areal extent of the



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Frontier 1 reservoir development to mirror the underlying Frontier 2 Formation, thus covering 20,500 acres of operated Company lands. The Company plans to further evaluate the three Frontier 1 sands through coring and open hole testing in the first horizontal well in the Barron Flats Federal Deep Unit targeting the Frontier 2 Formation during Q4 2022. Following the completion of this well, the Company will drill and complete a horizontal well in the Frontier 1 in the Barron Flats Federal Deep Unit. In addition, the Company has identified suitable well bores at its Cole Creek Unit to re-complete in the Frontier 1 for production in Q4 2022. As such, the current resource estimates as outlined are likely to be revised and/or reclassified after this evaluation program.

Prospective Resources in the Report for the Frontier 1 were determined probabilistically with the associated risk factors determined by Ryder Scott.

- **OOIP:** 704,728, 000 Bbls. (Probabilistic, High Estimate)

## **Frontier 2 Formation**

The Report supports the Company's conclusion that the Frontier 2 Discovery is a large stratigraphic oil accumulation encompassing the Frontier 2 reserves at the Company's operated 100% WI Cole Creek field. Proven and Probable ("1P and 2P") Developed and Undeveloped Reserves are currently carried by the Company at Cole Creek over a combined 7,200 acres. The Report adds Frontier 2 oil resources classified as Contingent Resources (1C, 2C and 3C) on Company operated lands over an additional 14,160 acres extending to the east to within the operated Barron Flats Federal Deep Unit. The total area evaluated in the Report encompasses 21,360 acres of Company operated lands having P1 and P2 Reserves, and 1C, 2C, 3C Contingent Resources.

The Report has identified 89 horizontal well locations on the Company's operated leasehold to exploit the identified Frontier 2 Reserves and Resources. Twenty-Eight of the horizontal well locations to exploit the 1P and 2P Reserves are located in the operated 100% WI Cole Creek Unit, with the balance of 61 horizontal well locations located on the 1C, 2C and 3C Contingent Resources classified lands within the operated 85% WI Barron Flats Federal Deep Unit and operated 100% WI interest non-unit lands in the area between the Cole Creek Unit and Barron Flats Federal Deep Unit.

The Company plans to drill two Frontier 2 horizontal wells in its 2022-23 drilling campaign commencing in Q4 2022. The first Frontier 2 horizontal well will be located in the Barron Flats Federal Deep Unit offsetting its 2021 BFU Fed 14-30VF discovery well in an area classified as 3C Contingent Resources. The second Frontier 2 horizontal well will be drilled on an existing permitted location in the Cole Creek Unit targeting Proven 1P and Probable 2P undeveloped Reserves.

Contingent Resources for the Frontier 2 in the Report were determined deterministically, based on the parameters used in the evaluation of the Company's Reserves at Cole Creek as stated in the Report.



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- Original Oil in Place (“OOIP”)
  - OOIP: **217,365,000 Bbls.** (Deterministic)
    - *Note: This includes the OOIP in the area of the Cole Creek Unit Proved (1P) and Probable (2P) Reserves*
- Horizontal Well Locations:
  - Cole Creek Unit: 28 horizontal well locations
  - Barron Flats Federal (Deep) Unit and non-Unit lands: 61 horizontal well locations
- Total net risked Contingent Resources 1C, 2C and 3C Recoverable
  - 23,747,000 Bbls.

## Dakota

The Report supports the Company’s conclusion that the Dakota Discovery is a stratigraphic oil accumulation encompassing the Dakota reserves at the Company’s operated 66.667% WI Cole Creek field. Proven and Probable (“1P and 2P”) Developed and Undeveloped Reserves are currently carried by the Company at Cole Creek over a combined 7,920 acres. The Report adds Dakota oil resources classified as Contingent Resources (1C, 2C and 3C) on Company operated lands over an additional 4,560 acres extending to the east to within the operated Barron Flats Federal Deep Unit. The total area evaluated in the Report encompasses 12,480 acres of Company operated lands having 1P and 2P Reserves, and 1C, 2C, 3C Contingent Resources.

The Report has identified 29 horizontal well locations on the Company’s operated leasehold to exploit the identified Dakota Reserves and Resources. Eighteen of the horizontal well locations to exploit the P1 and P2 Reserves are located in the operated 100% WI Cole Creek Unit, with the balance of 11 horizontal well locations located on the 1C, 2C and 3C classified lands within the operated 100% WI Cole Creek Unit and operated 100% WI interest non-unit lands in the area north and east of the Cole Creek Unit.

The Company has deferred the drilling of the Dakota horizontal wells as it plans to target exploitation and development of the Frontiers 1 and 2 Formations initially.

Contingent Resources for the Dakota in the Report were determined deterministically based on the parameters used in the evaluation of the Company’s Reserves at Cole Creek as stated in the Report.

- Original Oil in Place (“OOIP”)
  - OOIP: **71,379,000 Bbls.** (Deterministic)
    - *Note: This includes the OOIP in the area of the Cole Creek Unit Proved (1P) and Probable (2P) Reserves*
- Horizontal Well Locations:
  - Cole Creek Unit: 18 horizontal well locations



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- Barron Flats Federal (Deep) Unit and non-Unit lands: 11 horizontal well locations
- Total net risked Contingent Resources 1C, 2C and 3C Recoverable
  - 4,079,000 Bbls.

## Definitions

### Contingent Resources

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Estimates of resources always involve uncertainty, and the degree of uncertainty can vary widely between accumulations/projects and over the life of a project. Consequently, estimates of resources should generally be quoted as a range according to the level of confidence associated with the estimates. The range of uncertainty of estimated recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. Resources should be provided as low, best, and high estimates as follows:

- **Low Estimate:** This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- **Best Estimate:** This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater than or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the low estimate.
- **High Estimate:** This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.



The low, best, and high estimates for contingent resources are abbreviated as 1C, 2C, and 3C, respectively, with the corresponding reserves categories of proved (1P), proved + probable (2P), and proved + probable + possible (3P). This approach to describing uncertainty may be applied to reserves, contingent resources, and prospective resources. There may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production. However, it is useful to consider and identify the range of potentially recoverable quantities independent of such risk.

### **Prospective Resources**

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective Resources are further sub-divided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

### **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 Wyoming.

The Company operates three Units: Cole Creek 100% WI, Barron Flats Shannon (Miscible) 85% WI and the Barron Flats Federal (Deep) 85% WI in addition to non-unitized lands 100% WI.

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.

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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.*



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