CANADIAN OVERSEAS PETROLEUM LIMITED

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2022

March 31, 2023

TABLE OF CONTENTS

	Page
ABBREVIATIONS AND CONVERSIONS	**1**
ANALOGOUS INFORMATION	**2**
DEFINITIONS	**2**
FORWARD-LOOKING INFORMATION AND STATEMENTS	**6**
NOTE REGARDING INDUSTRY INFORMATION	**9**
THE COMPANY	**10**
DESCRIPTION OF THE BUSINESS	**11**
GENERAL DEVELOPMENT OF THE BUSINESS	**16**
OIL AND GAS PROPERTIES	**23**
DESCRIPTION OF CAPITAL STRUCTURE	**29**
RISK FACTORS	**30**
MARKET FOR SECURITIES	**48**
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	**49**
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	**49**
DIRECTORS AND OFFICERS	**49**
AUDIT COMMITTEE	**54**
MATERIAL CONTRACTS	**55**
AUDITORS, TRANSFER AGENTS AND REGISTRAR	**55**
INTERESTS OF EXPERTS	**55**
ADDITIONAL INFORMATION	**55**
APPENDIX A FORM NI F1-101F1	A-1
APPENDIX B FORM NI F1-101F2	B-1
APPENDIX C FORM NI 51-101F3	C-1
APPENDIX D AUDIT COMMITTEE CHARTER	D-1

ABBREVIATIONS AND CONVERSIONS

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
bbl	barrel[(1)]	mcf	thousand cubic feet
bbls	barrels	Mmcf	million cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
Mbbls	thousand barrels	Mmcf/d	million cubic feet per day
MMbbls	Million barrels	GJ	Gigajoule
NGLs	natural gas liquids	GJ/d	Gigajoules per day
boe	barrels of oil equivalent[(2)]	MMBTU	million British thermal units
boe/d	barrels of oil equivalent per day		
Mboe	thousand barrels of oil equivalent		

Notes:

(1) Each barrel represents 34.972 Imperial gallons or 42.0 US gallons.

(2) The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf of natural gas to one bbl of crude oil or NGLs is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Other

WTI	West Texas Intermediate crude oil, a benchmark oil price determined at Cushing, Oklahoma.
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
ha	hectares
km^2	square kilometres
Psi	pounds per square inch
md	millidarcy unit of permeability
m	metres
$M	thousands of dollars
$MM	millions of dollars

Conversions

The following table sets forth certain conversions between Standard Imperial units and the International System of units (metric units):

From	To	Multiply By
mcf	cubic metres	28.174
mcf	GJ	1.055
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.289
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

ANALOGOUS INFORMATION

In certain sections of this Annual Information Form, including without limitation "*Description of the Business*", the Company provides certain historical information concerning reserves or resources, estimates of the volume of reserves or resources, production estimates, historical production amounts, well tests and other information, which may be "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources that the Company believes are predominantly independent in nature and for which references to such information sources have been provided in such sections. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with the Canadian Oil & Gas Evaluation Handbook. In addition, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. The Company believes that the provision of this analogous information is relevant to the Company's activities, given its ownership interests and operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Company's activities in these areas will be successful to the extent in which operations in the areas in which the analogous information is derived from were successful, or at all.

DEFINITIONS

The capitalized terms set forth below have the following meanings:

"**2020 Annual Filings**" means the audited annual financial statements and the applicable CEO and CFO certifications in respect of such filings for the financial year ended December 31, 2020.

"**2022 RS Report**" means the report as of December 31, 2022 on the "Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests". The report relates to the Wyoming oil fields of Barron Flats, Cole Creek and Federal Deep held by the Atomic Group.

"**2024 Bonds**" means 63 convertible bonds at a principal face value of $0.2 million per convertible bond for an aggregate principal face value of $12.6 million maturing on 26 July 2024.

"**2025 Bonds**" means 83 convertible bonds at a principal face value of $0.2 million per convertible bond for an aggregate principal face value of $16.6 million maturing on 26 July 2025, issued pursuant to the July 2022 Bond Placing and the December 2022 Bond Placing.

"**Agent**" means ABC Funding, LLC.

"**AIF**" or "**Annual Information Form**" means this annual information form of the Company for the year ended December 31, 2022, dated March 31, 2023.

"**Anavio**" means Anavio Equity Capital Markets Master Fund Limited.

"**Articles**" means the articles of incorporation of the Company, as amended from time to time.

"**Atomic**" means Atomic Oil & Gas LLC.

"**Atomic Acquisition**" means the purchase of the Atomic Group.

"**Atomic Group**" means Atomic, SWP and Pipeco.

"**Audit Committee**" means the audit committee of the Company.

"**BFDU**" means the Barron Flats Federal Deep Unit in the PRB in Wyoming, US.

"**BFSU**" means the Barron Flats Shannon Unit in the PRB in Wyoming, US.

"**BLM**" means the United States federal Bureau of Land Management.

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**Bondholders**" means holders of the Bonds.

"**Bonds**" means the 2024 Bonds and the 2025 Bonds.

"**Canadian dollars**" or "**CAD$**" means Canadian dollars, being the lawful currency of Canada.

"**CCU**" means the Cole Creek Unit in the PRB in Wyoming, US.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**CNOOC**" means China National Offshore Oil Corporation.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook.

"**Common Share**" or "**Common Shares**" means, respectively, one or more common shares of no par value in the capital of COPL.

"**Compensation Committee**" means the compensation committee of the Company.

"**Conversion Payment**" means a payment due to a Bondholder upon conversion of their Bond.

"**COPL**" or the "**Company**" means Canadian Overseas Petroleum Limited.

"**COPL Bermuda**" means Canadian Overseas Petroleum (Bermuda) Limited.

"**COPL Bermuda Holdings**" means Canadian Overseas Petroleum (Bermuda Holdings) Limited.

"**COPL Group**" means as of December 31, 2022, the following: COPL, COPLA, COPLA Holding, COPL Bermuda, COPL Bermuda Holdings, COPL Ontario, COPL Technical, COPL UK, Atomic, SWP, Pipeco and a 50% interest in ShoreCan. The Company and each of its subsidiaries and subsidiary undertakings and references to a "member of the Group" shall be construed accordingly.

"**COPL Ontario**" means Canadian Overseas Petroleum (Ontario) Limited.

"**COPL Technical**" means COPL Technical Services Limited.

"**COPL UK**" means Canadian Overseas Petroleum (UK) Limited.

"**COPLA**" means COPL America Inc., incorporated on February 23, 2021.

"**COPLA Group**" means COPLA Holding, COPLA, Atomic, SWP and Pipeco.

"**COPLA Holding**" means COPL America Holding Inc., incorporated on February 23, 2021.

"**Corporate Governance and Nominating Committee**" means the corporate governance and nominating committee of the Company.

"**CSE**" means the Canadian Securities Exchange.

"**Cuda**" means Cuda Oil and Gas Inc.

"**Cuda Asset Acquisition**" means the acquisition by the COPL Group of the Cuda LLC assets on July 26, 2022 for cash consideration of $19.15 million, plus estimated assumed liabilities of approximately $1.7 million.

"**Cuda LLC**" means Cuda Energy LLC.

"**Directors**" means the directors of the Company.

"**Eocene**" means a geologic epoch that lasted from 56 million to 34 million years ago in the Cenozoic Era.

"**EOR**" means enhanced oil recovery.

"**Essar Mauritius**" means Essar Exploration and Production Limited (Mauritius), the company that owns 20% of Essar Nigeria shares.

"**Essar Nigeria**" means Essar Exploration and Production Limited (Nigeria).

"**Essar Nigeria Shareholders Agreement**" means the shareholders agreement dated August 17, 2015 between ShoreCan and Essar Nigeria.

"**Essar Transaction**" means the implementation of the In Principle Settlement Agreement as defined under "*General Development of the Business – Three Year History – Year-Ended December 31, 2020*". ShoreCan and Essar Mauritius agreed to extend the completion date of the definitive agreements on various occasions, most recently to December 31, 2021.

"**ESG**" means Environmental, Social, and Corporate Governance.

"**FCA**" means the United Kingdom Financial Conduct Authority.

"**GGS**" means gas gathering system.

"**Health, Safety and Environment Committee**" means the health, safety and environment committee of the Company.

"Interim Filings" means the unaudited interim financial statements and the applicable CEO and CFO certifications in respect of such filings for the period.

"**Lender**" means the US based global investment firm which has granted the Senior Credit Facility to the COPLA.

"**LIBOR**" means the London Interbank Offered Rate.

"**LSE**" means the London Stock Exchange plc.

"**MCTO**" means a management cease trade order.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

"**NNPC**" means the Nigerian National Petroleum Corporation.

"**NYMEX**" means the New York Mercantile Exchange.

"**NYSE**" means the New York Stock Exchange.

"**Oilexco**" means Oilexco Incorporated.

"**OPL**" means an Oil Prospecting Licence.

"**OPL 226**" means Oil Prospecting License in respect of the offshore bock 226 in Nigeria.

"**OPL 226 Transaction**" means the acquisition of 80% of Essar Nigeria shares by ShoreCan on September 13, 2016.

"**Options**" means the options to purchase Common Shares granted under the Company's Stock Option Plan.

"**Pipeco**" means Pipeco LLC.

"**Pounds Sterling**" or "**£**" means pounds sterling, being the lawful currency of the United Kingdom.

"**PRB**" means the Powder River Basin in Wyoming, US.

"**Preferred Shares**" means preferred shares in the capital of the Company.

"**PSC**" means production sharing contract.

"**Reserve Committee**" means the reserve committee of the Company.

"**Ryder Scott**" or "**RS**" means Ryder Scott Company – Canada an independent qualified reserves evaluator and auditor.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at www.sedar.com.

"**Senior Credit Facility**" means the term loan credit agreement dated March 16, 2021 entered into by the Company's wholly owned subsidiaries, COPLA Holding and COPLA to finance the Atomic Acquisition.

"**Share Consolidation**" means the consolidation on October 1, 2021, of all of the issued and outstanding Common Shares on the basis of every one hundred (100) pre-consolidation Common Shares being consolidated into one (1) post-consolidation Common Share. Fractional interests were rounded down to the nearest whole number of Common Shares. Outstanding Options and Warrants were similarly adjusted by the Share Consolidation ratio. The Share Consolidation resulted in 16,426,953,124 pre-Share Consolidation Common Shares issued and outstanding on September 30, 2021 being consolidated into 164,269,464 post-Share Consolidation Common Shares on October 1, 2021.

"**Shareholder**" or "**Shareholders**" means, respectively, one or more holders of Common Shares from time to time.

"**ShoreCan**" means Shoreline Canoverseas Petroleum Development Corporation Limited, the joint venture company in which COPL, through its wholly-owned subsidiary COPL Bermuda Holdings, and Shoreline each hold a 50% interest.

"**Shoreline**" means Shoreline Energy International Limited, the Group's joint venture partner in ShoreCan.

"**Stock Option Plan**" means the stock option plan of the Company.

"**SWP**" means Southwestern Production Corp.

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**UK Prospectus**" means the prospectus dated August 11, 2021.

"**UKCS**" means United Kingdom Continental Shelf.

"**Unit**" means an amalgamation of coordinated operations of petroleum reserves and resources by all of the different leaseholders and owners through cooperative rather than competitive mechanisms to assure the maximum recovery of hydrocarbons.

"**UOA**" means the unit operating agreement.

"**US**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.

"**US$**" or "**US dollars**" means United States dollars, being the lawful currency of the United States.

"**USGS**" means United States Geological Society.

"**Warrant**" or "**Warrants**", means one or more Common Share purchase warrants of the Company, each such warrant entitling the holder thereof to purchase one Common Share at a specified exercise price prior to the specified expiry date.

"**WOGCC**" means the Wyoming Oil and Gas Conservation Commission.

"**Wyoming Assets**" means the assets owned by the Atomic Group.

"**YARF**" means Yorkville Advisors Global and Riverfort Global Opportunities PCC.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders. All amounts are presented in US dollars unless otherwise noted.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this AIF constitute forward-looking information and statements. In some cases, forward-looking information and statements are often, but not always, identified by the use of words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "predict", "project", "should", "target", "will", or similar words suggesting future outcomes or language suggesting an outlook. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of the COPL Group, future production and grades, the economic limit or viability of assets, projections for sales growth, estimated revenues, reserves and resources, targets for cost savings, the construction cost of new projects, the timing and outcome of exploration projects and drilling programs, projected capital expenditures, transportation costs, the timing of new projects, the outcome of legal proceedings, the integration of acquisitions, future debt levels, fiscal regimes, the outlook for the prices of hydrocarbons, the outlook for economic recovery and trends in the trading environment, statements about strategies, cost synergies, revenue benefits or integration costs and production capacity of the COPL Group and the industry and countries in which the COPL Group operates. The projections, estimates and beliefs contained in such forward-looking information and statements necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information and statements. Operating conditions can have a significant effect on the timing of events. Accordingly, investors are cautioned that events or circumstances could cause results to differ materially from those predicted. The Board believes the expectations reflected in such forward-looking information and those statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information and statements included in this AIF should not be unduly relied upon.

In particular, this AIF contains forward-looking information and statements pertaining to the following:

- expectations regarding the ability to raise capital and obtain the financing necessary to continue its operations;
- timing of any potential financing, including: offerings, private placements or contributions of funds by existing Shareholders or Bondholders;
- the Russia-Ukraine conflict and the impacts thereof on supply chains and energy commodities markets;
- the effects of the COVID-19 pandemic;
- business strategy, strength and focus;
- expectations to add reserves through acquisitions and development;
- expanding operations into other jurisdictions;
- the dividend policy of the Company;
- the repayment or settlement of obligations under the Bonds;
- cost sharing arrangements with joint operators;
- information in respect of prospective resources the COPL Group may have;
- information in respect of reserves the Company may have, including disclosure of the 2022 RS Report;
- anticipated forthcoming activity in the oil and natural gas industry in the fields in which the COPL Group operates;
- the size of the oil, natural gas and NGLs reserves and the ability to commercially exploit the reserves;
- drilling and exploitation timelines;
- oil and natural gas production levels;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- assumptions in respect of valuation of Warrants, Bonds and Options;

- the COPL Group's ability to manage its financial and operations risks;
- the COPL Group's intention in respect of maintaining sufficient insurance;
- treatment under governmental regulatory regimes, tax laws and environmental regulations;
- tax horizon and future income taxes;
- capital expenditure programs;
- abandonment and reclamation costs;
- expectations with respect to production for the Wyoming Assets;
- the COPL Group's interpretation of the seismic, geological, geophysical and structural characteristics of each of the Wyoming Assets and OPL 226;
- capacity of infrastructure;
- the performance characteristics of our oil and natural gas properties and of the oil and natural gas properties comprising the Wyoming Assets;
- the quantity of the oil and gas reserves associated with the Wyoming Assets;
- debt and financing arrangements for the Wyoming Assets and OPL 226;
- the COPL Group's commitments under the OPL 226 Transaction;
- granting a consent to the Essar Transaction by the Nigerian Government;
- the timing of the work program under OPL 226; and
- the ability to secure an extension of the OPL 226 phase 1 exploration period and complete the Essar Transaction.

Statements relating to "reserves" and "resources" are deemed to be forward-looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future.

Forward-looking information and statements are based on the Company's current beliefs as well as assumptions made by, and information currently available to, the Company concerning future oil and natural gas production levels, future commodity prices, the ability to add oil and natural gas reserves through farm-ins, acquisitions and/or drilling at competitive prices, future exchange rates, the cost and availability of equipment and services in the field, the impact of increasing competition and the ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking information and statements as a result of the risk factors set forth below and discussed more extensively elsewhere in this AIF:

- availability of capital to fund future operations;
- the effects of COVID-19;
- volatility in market prices for crude oil and natural gas;
- failure to obtain debt and other financing for the Wyoming Assets or OPL 226;
- failure to obtain government consent to the Essar Transaction;
- estimates of resources and reserves;
- accuracy of oil and gas reserve estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- access to production facilities;
- reliance on key individuals;
- insurance;
- negative operating cash flow;

- possible failure to realize anticipated benefits of acquisitions;
- marketability of crude oil and natural gas;
- availability of equipment and access restrictions;
- nature of reserves and additional funding requirements;
- cybersecurity and terrorism;
- project risks;
- third party credit risk;
- operating hazards and other uncertainties;
- competition;
- joint property ownership and joint venture risks;
- access to production facilities;
- global financial instability;
- alternatives to and changing demand for petroleum products;
- interest rate cash-flow risk;
- geo-political change;
- foreign operations;
- operating in African countries;
- the COPL Group's business in jurisdictions with inherent risks relating to fraud, bribery and corruption;
- changes in government policy that could have a negative impact on the COPL Group's business;
- permits, licences, approvals and authorizations;
- the COPL Group's exposure to the risk of changes in laws in the jurisdictions where it operates;
- indigenous land and rights claims;
- applicable corporate tax regimes;
- tax regimes in certain jurisdictions are subject to differing interpretations and are subject to change;
- foreign currency exchange risk;
- governmental and environmental regulation;
- climate change;
- country specific political risk in the United States and Nigeria;
- share price volatility;
- the Company is incorporated in Canada, and as such is subject to Canadian company law;
- liquidity of the Common Shares and realization of investment in Common Shares;
- dilution and further sales of Common Shares;
- risks relating to the application of Canadian takeover bid rules; and
- the risk factors set forth in "*Risk Factors*".

With respect to forward-looking information and statements contained in this AIF, COPL has also made assumptions regarding, among other things, the willingness of operators to conduct operations on certain properties in foreign jurisdictions; future oil and gas prices or cost of products sold; ability to obtain required capital to finance exploration, development and operations; the ability to maintain sufficient funds to continue the operations of the COPL Group; the timely receipt of any required regulatory approvals; ability to obtain drilling success consistent with expectations; the ability of COPL Group to secure adequate product transportation; no material variations in the current tax and regulatory environments; and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking information and statements and other information contained herein concerning the oil and gas industry and COPL's general expectations concerning this industry are based on estimates prepared by management of COPL, using data from publicly available industry sources as well as from reserve reports, market research and industry analysis as well as on assumptions based on data and knowledge of this industry, which COPL believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While COPL is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

The above summary of major risks and assumptions, related to forward-looking information and statements included or incorporated by reference in this AIF has been provided for readers to gain a more complete perspective on the COPL Group's future operations. However, readers should be cautioned that the above list of factors is not exhaustive, and that this information may not be appropriate for other purposes. The forward-looking information and statements included or incorporated by reference in this AIF are valid only as at the date of this AIF. The Company and the Board expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking information and statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable securities laws. The forward-looking information and statements contained in this AIF are expressly qualified by this cautionary statement.

NOTE REGARDING INDUSTRY INFORMATION

In certain sections of this AIF, including without limitation "*Description of the Business*", "*Oil and Gas Properties*" and "*Risk Factors*", the Company provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by management on the basis of its knowledge of the areas in which the COPL Group operates. This third-party source information is derived from publicly available information sources that the Company believes are predominantly independent in nature. Historical, market and industry data and forecasts generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. The Company believes that the provision of this third-party source information is relevant to understanding the environment in which the COPL Group's activities, business and operations are carried out, however, readers are cautioned that there is no certainty that any of the COPL Group's activities in these areas will be successful to the extent in which operations in the areas in which the third-party source information is derived from were successful, or at all.

THE COMPANY

Name, Incorporation and Address

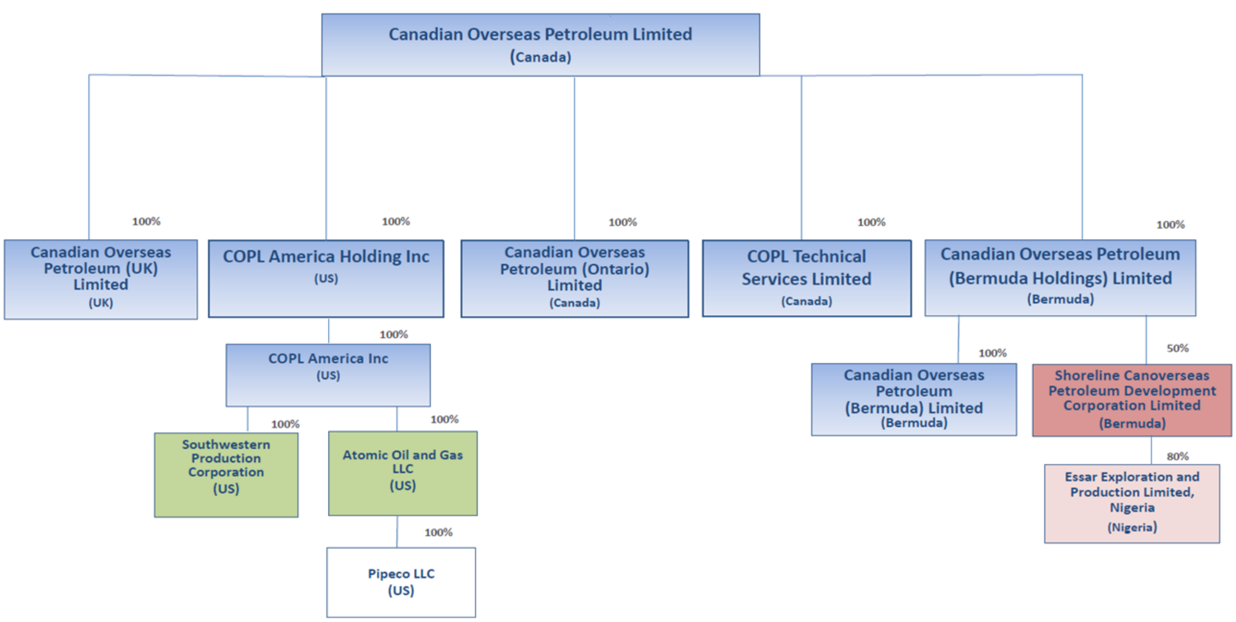
Canadian Overseas Petroleum Limited was incorporated under the *Canada Business Corporations Act* on July 8, 2004 under the name Aureus Ventures Inc. The Company changed its name to Velo Energy Inc. on July 5, 2006, and to Canadian Overseas Petroleum Limited on July 22, 2010. The Common Shares were consolidated on July 23, 2010 on the basis of one post-consolidation Common Share for every four pre-consolidation Common Shares. The Company completed the Share Consolidation on October 1, 2021. COPL's head office is located at Suite 3200, 715 – 5 Avenue SW, Calgary, Alberta T2P 2X6 and its registered office is located at Suite 400, 444 – 7 Avenue, SW, Calgary, Alberta T2P 0X8.

As described more fully below, COPL is an international oil and gas exploration/appraisal, development and production company focused in the United States and sub-Saharan Africa. The Company focuses on opportunities that its seasoned technical team has strength in evaluating, acquiring and developing.

Senior management and strategic corporate functions are performed by COPL's head office in Calgary, and geological, geophysical, engineering, accounting and administrative functions are performed by COPL Technical. Some technical and project related functions are provided by COPL UK. COPL Bermuda Holdings and COPL Bermuda were incorporated for potential opportunities in Africa. COPL Ontario was incorporated under the laws of Ontario in December of 2017 for the purposes of providing COPL with a vehicle with which it may act on potential acquisition opportunities in Canada. On February 23, 2021, two additional subsidiaries COPLA Holding and COPLA were incorporated for the purpose of oil and gas operations in the US in connection with the Atomic Acquisition.

Intercorporate Relationships

The following diagram sets forth the names of COPL's subsidiaries, their jurisdiction of incorporation and the percentage and voting ownership held by COPL in each subsidiary. As of December 31, 2022, COPL had ten wholly-owned direct and indirect subsidiaries: (i) COPL Technical, incorporated under the *Business Corporations Act* (Alberta); (ii) COPL UK, which is registered under the laws of England and Wales; (iii) COPL Bermuda Holdings, which is registered under the laws of Bermuda; (iv) COPL Bermuda, which is registered under the laws of Bermuda; (v) COPL Ontario, which is registered under the laws of Ontario; (vi) COPLA Holding, which is registered under the laws of the State of Delaware; (vii) COPLA, which is registered under the laws of the State of Delaware; (viii) Atomic, which is registered under the laws of the State of Colorado; (ix) SWP, which is registered under the laws of the State of Colorado; and (x) Pipeco, which is registered under the laws of the State of Wyoming. The Company, through its wholly-owned subsidiary COPL Bermuda Holdings, also holds a 50% interest in the ShoreCan joint venture company, which is registered under the laws of Bermuda. ShoreCan presently holds 80% of the shares of Essar Nigeria, which is registered under the laws of Nigeria.



DESCRIPTION OF THE BUSINESS

Business Objectives and Strategy

The Company's operational strategy is to increase production of its Wyoming Assets including the following: (i) increased natural gas and NGLs injections at the BFSU; (ii) recompletions of a limited number of existing cased wells at the CCU for Frontier 1 oil production; and (iii) drilling and development at the BFSU, the CCU and the BFDU areas.

The Company's short-term operations will focus on:

- continuing and increasing production of its Wyoming Assets;
- refinancing the Senior Credit Facility to reduce the Company's cost of capital;
- further developing the facilities to handle gas injection and increased production capacity at the BFSU;
- recompleting up to 6 existing cased wells in the Cole Creek Frontier 1 sands to increase oil production;
- drilling new wells in the BFSU, CCU and BFDU pools;
- concluding a joint venture with a large oil company with operations in Wyoming to appraise and develop the Company's deep oil discovery; and
- maintaining the Company's ESG operating credentials.

The acquisition of new projects and the development of existing projects by the Company are dependent on the Company raising adequate financing for such projects (as required) at the appropriate time.

Petroleum Production and Sales

During 2022, the Company's annual average production was 1,090 bbls/d as compared to 972 bbls/d in 2021 and the product produced and sold by the Company was light oil, while its natural gas production is reinjected in a miscible flood recovery scheme in the BFSU and NGLs production is not measured separately.

The Company's average realized sales price during 2022 was $91.70/bbl for light oil and the petroleum sales, net of royalties amounted to $28.0 million as compared to $67.69/bbl and $15.0 million in 2021 respectively.

Specialized Skill and Knowledge

Having operations in the oil and natural gas industry means that the COPL Group requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration and operations, the COPL Group utilizes the expertise of geophysicists, geologists, petroleum engineers and negotiators. Domestically, COPL's headquarters are based in Calgary, Alberta, which is the center of Canada's energy industry. The COPL Group's exploration and development efforts are primarily based in the United States and Africa, areas in which international competitors include major integrated oil and gas companies and numerous other independent oil and gas companies. The COPL Group competes with these major competitors for skilled industry personnel and the COPL Group's competitors include companies that have greater financial and personnel resources available. In certain areas, government regulation also requires that a percentage of the employed workforce be comprised of residents of such areas. As a result, the COPL Group faces significant challenges in respect of attracting and retaining a sufficient number of skilled employees to meet its needs, in Alberta, the US and Africa and these challenges are anticipated to continue for the foreseeable future.

The Company's management and technical teams have a proven ability in appraising and developing oil and gas assets. Certain members of the Company's team were formerly senior management at the Executive level and the senior technical team members of Oilexco and its subsidiary companies. This team previously grew Oilexco's portfolio of exploration assets into a collection of producing assets which are still in production today. The Company's technical team includes key individuals of the former Oilexco geological and geophysical and reservoir engineering team. In the years between 2004 and 2008, Oilexco was a leading operator and driller of appraisal and exploratory wells on the UKCS. During this period, Oilexco drilled 92 exploratory and appraisal wells, 19 pilot wells and 9 production horizontal wells for a total of 120 wells with an approximate success rate of 75%.

The Company's management team has extensive experience with amplitude versus offset ("**AVO**") techniques to successfully differentiate oil from water in stratigraphic turbidite fan and channel prospects. While at Oilexco, the Company's team coupled new geological concepts with seismic AVO concepts that enabled it to map stratigraphic

"Turbidite" prospects that had largely been ignored within the North Sea. It was determined that the amplitude variations seen on seismic data was due to contrasts in the "elastic" rock properties. These "elastic" properties included porosity, rock density and fluid fill (water or oil). These amplitude responses can be described by AVO attribute extraction and can be used to infer changes in rocks and the fluids contained within them. These techniques, that were originally developed in areas including the North Sea and Gulf of Mexico, have had practical application in similar targets in Liberia, Ghana and the Republic of Sierra Leone and should be applicable in the similar trends and conventional traps offshore, swamp and onshore areas of Nigeria and in the PRB, Wyoming where the Company's operations are focused.

The Directors believe that the Company's team is well known for its progressive approach to drilling wells, for quickly appraising its discoveries, and for monetizing those discoveries rapidly. Oilexco's goal was to bring a discovery from final appraisal to first oil in two years. The team successfully achieved these goals on the first two of its 100% development projects. This was achieved through the concept, design and completion of subsea engineering; the project management of the installation of flow lines, subsea manifold, booster pump and subsea pipeline to an owned and operated floating production facility. Production commenced at an initial rate of 30,000 bbls/d, and Oilexco was progressing with the planning and engineering of two additional floating production storage and offloading (FPSO) development projects at the end of 2008.

Environmental, Social and Governance

Overview

The Company recognizes the importance of and its responsibility for environmental stewardship and one of the Company's primary goals is to create and preserve a safe and environmentally responsible organization. COPL strives to maintain excellence in environmental reporting and to take proactive steps to eliminate or reduce its environmental impact. As an organization that strives for continuous improvement, COPL continues to identify, develop and utilize new technology, systems and processes that will help reduce its environmental footprint and create a safer work environment.

Health, Safety and Environmental Programs

COPL is committed to continually evolving and improving its health, safety and environmental management program (the "**HSE Program**") and to conducting its activities in a manner that safeguards its employees, contractors and representatives, the public and the environment. COPL's executives, managers, employees and others engaged on its behalf are responsible for upholding the requirements of its HSE Program. The Company values are consistent throughout the organization towards the commitment to the HSE Program, which mirrors the commitment to ESG.

The Company's HSE Program provides a framework to safeguard its employees, contractors, visitors and the people in the communities where the Company operates from personal injury and health and safety hazards. Pursuant to the HSE Program, COPL maintains a safe work environment with policies, processes, standards, training, equipment and emergency response procedures that meet or exceed governmental regulations and industry practices. Employees and contractors on COPL's worksites are required to follow all health, safety and environmental rules and procedures outlined in the HSE Program and to participate in pertinent health and safety training.

COPL's HSE Program focuses on minimizing the environmental impact of its operations while meeting regulatory requirements and corporate standards. The HSE Program includes: (i) a suspended well inspection program to support future development or eventual abandonment; (ii) an abandonment and decommissioning program for wells and facilities ready for abandonment; (iii) a surface reclamation program; (iv) a groundwater monitoring program; (v) a spill prevention, response and clean-up program; (vi) a fugitive emission survey and repair program; (vii) an environmental liability assessment program; (viii) a waste management program; (ix) a naturally occurring radioactive materials program; (x) a storage management program; (xi) a facility land vegetation management program; and (xii) a site planning and construction program.

The Company maintains both corporate and property-specific emergency response plans. In addition to regulatory requirements, all new drilling and completion projects are accompanied by a COPL site-specific emergency response plan. In order to best prepare for emergencies, the Company typically conducts annual field and tabletop emergency response exercises and provides regular training for key responder roles throughout the year. Following the annual exercise, a thorough debrief is conducted with all participants to identify key learnings that can be incorporated, thereby increasing the Company's level of preparedness.

Community and Stakeholder Relations

Fostering a strong relationship with the communities in which the COPL Group operates and its stakeholders is as integral to the success of the COPL Group's projects as obtaining the required regulatory approvals. The Company believes cooperative, sincere and responsive consultation efforts with stakeholders in the areas in which the COPL Group operates creates a solid foundation for its business. The COPL Group has an experienced team working with local stakeholders to learn their values and priorities and to resolve any issues or concerns that arise.

COPL recognizes the role that communities play in its success and looks for opportunities to give back. The Company is a supporter of the community in the areas where the COPL Group operates. The COPL Group takes pride in employing employees and contractors within the communities it operates. Management believes this aids in community relationships, which contributes to the commitment from each team member towards continuously taking care of the environment in the best possible manner. Through these activities and numerous others, the COPL Group creates and maintains long-term, positive partnerships and relationships, while promoting employee engagement in the communities in which it operates.

Governance

The Board currently consists of five directors, namely Arthur Millholland, Harald Ludwig, John Cowan, Massimo Carello and Robert Chenery. Mr. Ludwig is the Chairman and an independent director. The Board has five committees: the Audit Committee, the Compensation Committee, the Reserve Committee, the Corporate Governance and Nominating Committee and the Health, Safety and Environment Committee. See "*Directors and Officers*". Additional information on the Company's corporate governance practices is contained in the Company's information circular for its most recent annual meeting of the holders of Common Shares, which was held on May 16, 2021.

With respect to ESG oversight, the Board has overall responsibility for ESG matters. Each quarter, the Board receives a detailed report from management on matters such as the Company's safety performance and total recordable incident frequency. In addition to the oversight provided by the Board, the COPL Group has established the Health, Safety and Environment Committee, which is comprised of members of management. The role of the Health, Safety and Environment Committee is to supervise and aid in decision making, and provide recommendations to the operations team to ensure success. The operations team supports and advises the Health, Safety and Environment Committee to meet its responsibilities in relation to compliance with legal and regulatory requirements and to also ensure the development, implementation and monitoring of the Company's policies, standards and practices are leading edge in HSE and ESG stewardship.

Environmental Protection and Regulation

Oil and gas operations such as those with which the COPL Group is involved, are subject to certain environmental laws and regulations at the federal, provincial/state and local levels. These laws and regulations generally require the COPL Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling wells, pipelines and production facilities, decommissioning and remediating damage caused by the disposal or release of specified substances, and reclaiming former sites. Compliance with such legislation can require significant expenditures. A breach of such legislation may result in the imposition of material fines and penalties, the suspension or revocation of necessary licenses and authorizations, or civil liability for pollution damage or the issuance of clean-up orders. The COPL Group intends to operate in a manner intended to ensure that the COPL Group's projects meet appropriate environmental standards. The COPL Group did not incur any material expenditures in the past year as a result of environmental protection requirements, nor does it anticipate environmental protection requirements to have any material unanticipated financial or operational effects on the capital expenditures, earnings or the competitive position of the COPL Group in 2023.

Economic Dependence

Oil production from the Wyoming Assets is sold to a national oil marketing and transportation company, at market-based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The COPL Group has also entered into risk management contracts with a third party to manage exposure to commodity pricing risk by way of derivative contracts on butane and oil, until December 31, 2024.

The COPL Group's interest in Nigeria is dependent on the terms of the oil prospecting license OPL 226 offshore Nigeria. ShoreCan will hold a net 10% interest following the Essar Transaction which could subject ShoreCan to various risks as a minority shareholder in Essar Nigeria, should the Essar Transaction be completed.

Competitive Conditions

The oil and natural gas industry is highly competitive in all aspects of the business including the exploration for and the development of our assets, access to commodity markets, acquisition opportunities, available capital, equipment, supplies and attracting and retaining skilled and knowledgeable personnel. We strive to be competitive by maintaining a scientific, integrated approach to successfully identify desirable drilling prospects. For more detail, see "*Risk Factors – Competition*".

Pricing and Marketing of Oil

The Company's revenue relates to oil production in Wyoming, US that is currently sold under a contract with SWP and one purchaser, and is based on the monthly average of WTI for light sweet crude oil as quoted on NYMEX less negotiated differentials including transportation costs. SWP is an agent for certain non-operating joint interest owners and royalty owners, and receives and distributes revenue on their behalf.

The COPLA Group's production is subject to risk management through derivative contracts as detailed in the Company's 2022 audited annual financial statements. These risk management contracts are not entered into for trading nor speculative purposes.

Employees

As at December 31, 2022, COPL and its subsidiaries had a combined total of 23 employees.

Wyoming, United States

On March 16, 2021, the Company completed the Atomic Acquisition and on July 26, 2022, the COPL Group completed the Cuda Asset Acquisition. Following the completion of these transactions, the Company now has an operating interest in the PRB of Wyoming, US consisting of 42,415.55 acres (gross) of contiguous leasehold, which include two oil exploration Units: an 85.52% working interest in the BFDU and a 96.05% average working interest in the CCU as well as one unitized secondary recovery Unit, the BFSU, with an 85.68% average working interest.

The COPL Group's strategy for the Wyoming Assets is to increase current oil production efficiently and cost effectively, along with maximizing the recovery of oil from the targeted reservoirs.

The total gross lease oil sales in the Wyoming Assets averaged 1,373 bbls/d and 1,559 bbls/d for the three and twelve months ended December 31, 2022, respectively. Oil sales volumes in 2022 have progressively decreased quarter over quarter due to operational interruptions at certain high impact wells. The interruptions were a consequence of the miscible flood program, which involves the injection of high pressure solvent that both raises the reservoir pressure and mobilizes the oil in place. The efficacy of the scheme was revealed by increased flowing pressure and the arrival of the high pressure miscible bank at certain producing wells. A bottleneck which has negatively impacted production is the field's originally undersized low pressure GGS constructed with high density polyethylene plastic material. The existing GGS is not capable of accommodating the high pressure and volume of gas arriving at the producing wells and delivering to the gas plant for recycle. This circumstance led to the requirement to restrict the wells and modify the well configuration. To handle high pressures and volumes, upgraded surface facilities were installed at certain wells to ensure safe operating practices. The Company's engineers have reduced and redistributed the gas injection volumes to bring down the working pressures to partially mitigate production restrictions at certain wells. Oil production is expected to increase as wells are optimized and operating pressures are managed. The issues faced by the Company due to the infrastructure bottlenecks were not considered in the reservoir modelling work and the performance of the overall pool prior to encountering the infrastructure constraints met or exceeded the reservoir model predictions at the time.

Primarily, field level work has concentrated on solutions to resolve the constraints on oil production, including: well conversions from pumping to flowing configurations, condensate treatments in lieu of hot oiling and chemicals to resolve paraffin build up from the perforations to the well head, partial flaring of produced gas volumes at certain wells, and direct gas line tie back to the BFSU gas plant of individual wells that are in close proximity. Three wells were converted from pumping to flowing configurations during 2022. Throughout these endeavors, the Company's understanding of the dynamic changes throughout the field resulting from various injection strategies (both in terms of injectant volume and composition) and the incidence of severe paraffin precipitation has continued to evolve. Plans for paraffin mitigation and management may lead to the change back to pumping configurations alongside more robust wellhead equipment to address higher wellhead pressures.

COPLA made an application (the "**Application**") to the WOGCC to temporarily flare additional gas at its operated BFSU miscible flood project. The issues facing COPLA are unexpected very high pressures and gas volumes at certain producing wells. These high pressures have caused safety issues during workovers, at well-site production facilities and with the current GGS alongside oil production curtailments. Temporary gas flaring at some or all of these wells would improve productivity until a field wide solution is engineered and implemented. The design phase of this GGS project is complete and installation is expected to be completed in 2023. Gas production from two wells has recently been tied directly into the gas plant to reduce the load on the GGS and avoid flaring.

On October 11, 2022, COPLA received official verbal approval from the WOGCC to flare up to 540 Mmcf (3,000 mcf/d) for 180 days on a group of 20 wells in the BFSU, which was recently extended on March 14, 2023 for an additional 180 days ending in October 2023. Flaring more gas from this group of wells will help to alleviate some of the GGS constraints while the GGS debottlenecking project is underway. This will enable the Company to relieve production restrictions at certain high pressure flowing oil wells. Since then, the wells have been incrementally brought back on line in parallel with the commissioning of well-site facilities to recover the vapours from the produced volatile oil. The process has been designed for safety and efficiency considerations as these wells have been restricted for several months. Oil production from these wells is not yet stable as the process is continuing, but is expected to increase once complete. The flared gas volumes have averaged approximately 900 mcf/d since WOGCC approved the Application, which is well below the permitted volume of 3,000 mcf/d.

From February 2022 to September 2022, the injectant composition was changed to a leaner blend of solvent and natural gas. Reservoir modeling has suggested that sufficient NGLs have been injected into certain patterns in the reservoir to date such that there will be miscible flooding effects as long as reservoir pressure and voidage replacement is maintained with a leaner injectant comprised of purchased natural gas and recycled produced gas. On October 1, 2022, enriched gas injection recommenced on the western injection patterns with leaner gas injection continuing on the eastern injection patterns to continue to move the miscible bank in the more mature eastern patterns. As new injection wells are drilled, or when existing producing wells are converted to injection wells, additional volumes of natural gas and solvent will be purchased and injected in these new patterns in order to build miscibility in new areas of the reservoir.

The overall effect of this strategy is to ensure the economic viability of the project by reducing the purchased products costs, while minimizing the effect on reserves recovery overall. It is expected that the injection rates will generally be kept below 10.0 Mmcf/d, and simulation work suggests that more meaningful gains in production and recovery will result from converting more and more producers to gas injectors to access unswept areas of the reservoir. Simulation work will be a continuous process as new data comes in from the field response, and plans will be shifted as appropriate. All of the purchased gas and liquids will eventually be recovered and sold to market, as the miscible flood acts as a storage mechanism until that point.

The Company net oil sales at the CCU and BFDU were approximately 66 bbls/d and 19 bbls/d respectively in 2022. Stimulation of the BFDU Dakota discovery well drilled in 2021 was not possible due to pressure limitations in the production casing up hole due to prior completions in the Frontier 1 and Frontier 2 sands. Performance of this well is encouraging for enhanced production from future stimulated horizontal wells.

In the last week of December 2022, COPLA initiated recompletion operations on the Cole Creek 11-27 well to evaluate the light oil potential of the Frontier 1 reservoir sands. Well clean-up is continuing with near well-bore damage caused by invasion of significant volumes of light fresh water drilling mud during drilling 10.5 years ago. COPLA anticipates conversion of Frontier 1 prospective resources to contingent resources and ultimately reserves as additional producing wells come online. The reservoir data collected in this campaign will be crucial to COPLA's understanding of the reservoir characteristics of the Frontier 1 sands.

Nigeria

In October 2014, the Company formed a joint venture company with Shoreline, called ShoreCan in line with the Company's strategy to diversify and balance its asset portfolio to generate stable cash flow from secure assets. The Company and Shoreline each hold a 50% interest in the jointly controlled company, ShoreCan, which was incorporated on October 24, 2014. Neither party has a veto right or equivalent "golden share" in ShoreCan. ShoreCan's board is comprised of four directors, Arthur Millholland and John Cowan (being the Company's nominee directors) and Kola Karim and Tunde Karim (being Shoreline's nominee directors). ShoreCan is focussed on acquiring upstream oil and gas exploration, development and producing assets in Africa.

The Company's wholly owned subsidiary, COPL Technical provides engineering, geological, geophysical and legal and accounting services to ShoreCan, which, in turn, flows through to Essar Nigeria. Shoreline provides in-country Nigerian legal and accounting services to ShoreCan in addition to managing government relations. Representatives of both these companies are directors of Essar Nigeria, namely, Kola Karim (as Chair), Tunde Karim (as Chief Executive

Officer) and Arthur Millholland (as Chief Operating Officer) in addition to a nominee director of Essar Mauritius, Ashish Kumar.

On October 2, 2018, the NNPC granted a conditional approval of a twenty-four months extension for the Phase-1 exploration period until September 30, 2020. The extension was subject to certain conditions, including submission of a performance bond of $7.0 million that is required further to the PSC, to cover the Phase-1 exploration period work program at OPL 226.

On August 4, 2020, the Company announced that ShoreCan and Essar Mauritius entered into a sale and purchase agreement, and other agreements, with each other concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. See "*Oil and Gas Properties – Nigeria*".

Essar Nigeria, has applied to the concessionaire and the regulator for an extension of the exploration period under the OPL 226 PSC beyond the term ending September 30, 2020. The two previous extensions to the oil prospecting license at OPL 226 from the NNPC were also received by Essar Nigeria following the previous expiration dates, but as the expiry date occurred approximately 18 months ago, there is significant risk the OPL 226 PSC will not be extended.

On October 26, 2020, the Company announced that ShoreCan and Essar Mauritius agreed to extend the completion date of the definitive agreements between the parties announced on August 4, 2020 to January 29, 2021. On February 1, 2020, the Company announced a further extension of such agreements to April 30, 2021. The parties have since, on separate occasions, agreed to extend the completion. Since that time there have been no further developments with the joint venture partners, the disputes or formal communication from the authorities in Nigeria. Accordingly, the Company's efforts in Nigeria are currently on hold.

GENERAL DEVELOPMENT OF THE BUSINESS

Since the beginning of 2020, the following key milestones have occurred.

Three Year History

Year-Ended December 31, 2020

On February 21, 2020, the Company announced it entered into a promissory note, effective February 14, 2020, with Arthur Millholland, President and CEO of the Company, for a principal amount of $0.15 million (CAD$200,000) at a rate of 10% per annum.

On March 26, 2020, the Board waived earned but unpaid Directors' fees for 2019 and the first quarter of 2020, totaling approximately $0.56 million.

On March 27, 2020 and April 3, 2020, the Company announced that in light of the COVID-19 pandemic, the Canadian Securities Administrators had offered issuers a 45 day extension for periodic filings. The Company elected to defer, among other filings, the filing of its 2019 year-end financial statements to on or around May 12, 2020 and its first quarterly financial statements of 2020 to on or around June 23, 2020.

On March 27, 2020, Essar Mauritius filed a claim in the High Court of Justice of England and Wales. Essar Mauritius sought in its claim to terminate the Essar Nigeria Shareholders' Agreement and the share purchase agreement dated August 17, 2015 and the resulting transfer of its shares in Essar Nigeria to ShoreCan. Essar Mauritius also claimed $63.0 million of damages in respect to historic amounts invested in Essar Nigeria for the OPL 226 project.

On April 30, 2020, the Company announced that it had entered into a placing with YARF to conditionally raise proceeds of up to £2.0 million (approximately $1.6 million). The placing consisted of an upfront tranche of £0.725 million, comprising 10,357,142 Common Shares at a subscription price of £0.07 per Common Share. The gross proceeds of the placing would have been pledged to YARF pursuant to the terms of an equity sharing agreement entered into between the Company, YARF and Arthur Millholland (the "**ESA**"). The ESA would have entitled the Company to receive the gross proceeds on a pro-rata monthly basis over a period of 8 months, subject to adjustment upwards or downwards depending on the Company's share price on the LSE each month. Given the volatility and weakness in the Company's share price since late February 2020, exacerbated by current macro-economic events outside of the Company's control such as the COVID-19 pandemic and the oil price war between the Russian Federation and Saudi Arabia, there was no guarantee that the Company's share price would remain above £0.14.

In June, 2020, the Company announced that ShoreCan had reached an agreement in principle with Essar Mauritius to resolve their disputes with each other under the Essar Transaction (the "**In Principle Settlement Agreement**") concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. The In Principle Settlement Agreement instigated an immediate stay in proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. In addition, pursuant to the terms of the In Principle Settlement Agreement, Essar Nigeria, with the full support of its shareholders, sought an extension of the OPL 226 PSC beyond the term ending September 30, 2020. Furthermore, the In Principle Settlement Agreement set out agreed amendments to the Essar Nigeria Shareholders Agreement to include: (i) ShoreCan transferring 70% of the shares in Essar Nigeria to Essar Mauritius; (ii) Essar Mauritius carrying ShoreCan for a 10% carried interest (capped at $5.0 million net) on all costs relating to the drilling of the first appraisal well to be drilled under the terms of the OPL 226 PSC; and (iii) ShoreCan having an option to increase its shareholding in Essar Nigeria from 10% to 30% by paying 20% of historic expenditures of Essar Nigeria at cost through the drilling of the first appraisal well. The terms of the In Principle Settlement Agreement were conditional on the parties finalizing definitive documentation to reflect the terms and completing the transactions contemplated by the In Principle Settlement Agreement within 35 days. As at the date of filing this AIF, COPL has not provided any guarantee in respect of obligations, commitments and/or losses of either ShoreCan or Essar Nigeria.

On June 15, 2020, the Company announced that it had, pursuant to the terms of the ESA, terminated the ESA and entered into an agreement with YARF and Arthur Millholland governing the terms of an unsecured facility (the "**YARF Loan Agreement**") of up to £0.636 million (approximately $0.786 million). Pursuant to the terms of the YARF Loan Agreement, YARF agreed to conditionally advance an amount equal to £0.136 million (the "**First Advance**") (less fees and deductibles pursuant to the terms of the YARF Loan Agreement) following a written drawdown request from the Company, such request specifying a drawdown date being no earlier than the first trading day following the execution of the YARF Loan Agreement. As per the YARF Loan Agreement, the First Advance was repaid on July 2, 2020 - £0.1 million in cash from proceeds of YARF's participation in the July 2, 2020 Placing (as defined below) and £0.036 million of the First Advance by issuance Common Shares to YARF at the placing price £0.30 per Common Share. The remaining £0.5 million of the loan facility bore interest at a fixed rate of 10%, payable on the amount outstanding on repayment of the first drawdown. Pursuant to the terms of the YARF Loan Agreement, the Company could elect to pay the interest payment in Common Shares to be issued at £0.30 per Common Share at a fixed rate of 12.5% of the loan amount, which it was agreed would be issued to YARF on completion of the July 2, 2020 Placing. Under the YARF Loan Agreement, the Company provided various warranties, customary for an agreement of its nature to YARF and YARF provided customary warranties to the Company. Further, pursuant to the terms of the YARF Loan Agreement and subject to completion of the funding pursuant to the July 2, 2020 Placing, the Company agreed to issue to YARF Warrants to purchase 1,000,000 Common Shares for an exercise price of £0.39 ($0.49) (the "**YARF Warrants**"). The YARF Warrants were exercisable for 24 months from the date of the July 2, 2020 Placing.

On June 23, 2020, the Company announced that it had entered into a non-brokered subscription agreement dated June 22, 2020 (the "**Initial Placing**") for a Common Share placing at £0.30 per Common Share for aggregate gross proceeds of £700,000. The Company agreed to pay a finders' fee of £35,000 cash and issue 125,000 Warrants exercisable for 24 months at an exercise price of £0.39 to Shore Capital Stockbrokers Limited.

On June 29, 2020, the Company announced it had entered into a further non-brokered subscription agreement dated June 28, 2020 for a Common Share placing at £0.30 per Common Share for aggregate gross proceeds of £500,000 (together with the Initial Placing, the "**July 2, 2020 Placing**"). This placing was an upsize to the Initial Placing announced on June 23, 2020. The Company agreed to pay a finders' fee of £35,000 cash and issue 125,000 Warrants exercisable for 24 months at an exercise price of £0.39 to Shore Capital Stockbrokers Limited.

On July 2, 2020, further to a Prospectus approved by the FCA on June 26, 2020 (the "**June 2020 Prospectus**"), the Company closed the July 2, 2020 Placing of 4,000,000 Common Shares at a placing price of £0.30 per Common Share, for aggregate gross proceeds of £1.2 million. In respect of the July 2, 2020 Placing, the Company paid in cash a finders' fee of £70,000 (in aggregate) and other fees of £3,500 and granted 250,000 Warrants, as compensation to the finder (in aggregate) expiring on July 2, 2022, at an exercise price of £0.39 per Common Share.

On July 2, 2020, Mr. Gaffney assumed the position of CFO of the Company. Mr. Gaffney had been acting as interim CFO since June 6, 2020.

Further, on July 2, 2020, the Company issued to YARF a total of 385,000 Common Shares in lieu of cash payments of £115,500 at a deemed price of £0.30 per Common Share, in respect of repayment of a portion of the first drawdown of the Credit Facility of £36,000 (120,000 Common Shares) and interest on the Credit Facility of £79,500 (265,000 Common Shares). In addition, the Company granted, as compensation to YARF, a total of 1,000,000 Warrants expiring on July 2, 2022, at an exercise price of £0.39 per Common Share.

On July 10, 2020, the Company announced that ShoreCan and Essar Mauritius has agreed to extend the backstop date to July 20, 2020 to enter into definitive documentation to resolve their disputes concerning, among other things, their respective obligations under the Essar Nigeria Shareholders Agreement. This also extended the immediate stay of proceedings of the claim filed by Essar Mauritius against ShoreCan in the High Court of Justice of England and Wales. The backstop date and associated stay on the High Court claim was subsequently extended to August 4, 2020, pursuant to the Company's announcement on July 21, 2020.

On July 14, 2020, further to debt exchange arrangements stipulated in the UK Prospectus closed on July 2, 2020, the Company issued to certain vendors and employees in total 436,917,545 Common Shares in lieu of cash payments of approximately £1.3 million ($1.7 million) at a deemed price of £0.003 ($0.0037) per Common Share (as stipulated in the UK Prospectus and pursuant to individual agreements), in respect of outstanding balances due to these vendors and employees.

On July 20, 2020, the Company announced it had entered into agreements with two institutional investors and two high net worth private investors to raise gross proceeds of £1.3 million in another non-brokered placing at a placing price of £0.30 ($0.37) per Common Share (the "**Subsequent July 2020 Placing**") and also entered into agreements with historic creditors which resulted in the Company repaying approximately $1.6 million of historic debt.

On July 23, 2020, the Company issued 4,333,333 Common Shares pursuant to the Subsequent July 2020 Placing, raising £1.3 million ($1.65 million) in gross proceeds and issuing 1,840,968 Common Shares to creditors of the Company pursuant to debt exchange arrangements stipulated in the June 2020 Prospectus. Pursuant to the Subsequent July 2020 Placing, the Company agreed to pay in cash a finders' fee of £91,000 and to grant 325,000 Warrants to a finder, expiring on July 24, 2021, at an exercise price of £0.39 per Common Share.

On August 4, 2020, the Company announced that ShoreCan had executed definitive agreements with Essar Mauritius to resolve their disputes. ShoreCan and Essar Mauritius entered into a sale and purchase agreement pursuant to which ShoreCan will return 70% of the shares in Essar Nigeria to Essar Mauritius in addition to other agreements concerning their respective obligations under the Essar Nigeria Shareholders Agreement. Essar Nigeria applied in early June of 2021 to NNPC for an extension of the exploration period under the OPL 226 PSC beyond the current term ending September 30, 2020. Completion of the definitive agreements to be entered into is subject to the grant of such extension and other customary completion conditions.

On August 14, 2020, the Company issued 53,731,380 Common Shares pursuant to an exercise of Warrants at an exercise price of £0.00335 ($0.0044) per Common Share.

On September 24, 2020, the Company provided an update on Essar Nigeria's application for a licence extension for OPL 226. To date, no notice of termination has been received by Essar Nigeria, which under the terms of the OPL 226 PSC would need to be issued sixty days before the September 30, 2020 expiry date. The two previous extensions to the drilling license at OPL 226 were also received by Essar Nigeria following the previous expiration dates.

On September 29, 2020, the Company announced that its Board of Directors had approved the granting of 3,416,092 Options of the Company effective from September 14, 2020. The Options were granted under the Company's Stock Option Plan at an exercise price of £0.35 ($0.45) per Common Share to the Company's Directors, officers and employees and expire five years from the date of grant.

On October 26, 2020, the Company announced that ShoreCan and Essar Mauritius had reached an agreement to extend the completion date of the definitive agreements between the parties announced on August 4, 2020 to January 29, 2021.

On December 16, 2020, the Company entered into a stock and membership interest purchase agreement (the "**Purchase Agreement**") with James W. Williams, Jr., as seller pursuant to which, the Company agreed to purchase all of the issued and outstanding capital stock of Atomic and membership interests of SWP for consideration of $54.0 million consisting of assumed debt, cash and Common Shares. As part of the Atomic Acquisition, the Company also acquired Pipeco, a wholly owned subsidiary of Atomic. Pursuant to the terms of the Atomic Acquisition, the Company made a non-refundable deposit of $1.0 million followed by two further payments of $4.0 million; the first on December 31, 2020 and the second on January 7, 2021.The effective date of the Atomic Acquisition was December 1, 2020.

On December 30, 2020, the Company announced it entered into non-brokered subscription agreements with institutional investors and high net worth individuals for a £6.0 million unit placing (the "**December 2020 Placing**") at a placing price of £0.20 ($0.27) per unit. Each unit consisted of one Common Share in the capital of the Company and one half of one Warrant, each whole Warrant entitling the holder to purchase a Common Share at £0.26 per Common Share for 12 months from the settlement date of the December 2020 Placing. Pursuant to the terms of the

December 2020 Placing, the Company agreed to pay a finders' fee equal to 7% of the gross proceeds of the December 2020 Placing of 2,850,417 Common Shares at the Initial Atomic Placing (as defined herein) price and also grant 3,054,018 Warrants expiring on January 8, 2022 at an exercise price of £0.26 per Common Share.

Year-Ended December 31, 2021

On January 8, 2021, the Company announced a follow-on non-brokered private placement to the December 2020 Placing to raise additional gross proceeds of £3.0 million (the "**Subsequent Fundraise**") subsequent to the December 2020 Placing announced by the Company on December 30, 2020 (together with the Subsequent Fundraise being the "**Initial Atomic Placing**"). The Subsequent Fundraise of units with institutional investors and high net worth private investors was completed on the same terms as the December 2020 Placing. In addition, the Company paid a cash commission to Shore Capital Stockbrokers Limited of 7% of the £0.5 million proceeds from the Subsequent Fundraise that were sourced by Shore Capital Stockbrokers Limited (the "**Shore Placees**"), such commission being equal to £35,000, together with Warrants equal to 7.5% of proceeds from the Shore Placees, exercisable for 12 months at an exercise price of £0.26 per Common Share. The total gross proceeds of the non-brokered private placement of units under the Initial Atomic Placing is £8.9 million ($12.0 million).

On February 1, 2021, the Company announced that ShoreCan and Essar Mauritius had reached an agreement to extend the completion date of the definitive agreements between the parties from January 29, to April 30, 2021. The parties have since, on separate occasions agreed to extend the completion, most recently to December 31, 2021.

On February 8, 2021, the Company announced the repayment in cash on February 5, 2021 of £0.4 million ($0.547 million), being the final balance due under the loan from YARF.

On March 9, 2021, COPL completed a fundraising by way of a Common Share placing of 43,750,000 Common Shares (the "**March 2021 Placing**") to institutional investors and high net worth private investors/family offices at a price of £0.32 ($0.45) per Common Share. The net proceeds of approximately £13.3 million ($18.7 million) from the placing were used for working capital required by the Company to complete the previously announced Atomic Acquisition and for general corporate purposes. The Company paid a commission of 6% of the gross proceeds from the March 2021 Placing and granted 2,625,000 Warrants, exercisable at a price of £0.32 per Common Share and expiring on March 9, 2023.

On March 16, 2021, the Company announced that it had completed the previously announced Atomic Acquisition after the close of the London market. The Company further announced that the Atomic Acquisition amounted to a reverse takeover under the LSE's listing rules and that the Company had made an application to the FCA to suspend its listing conditional upon the Atomic Acquisition becoming wholly unconditional. Listing of the Common Shares was to remain suspended until such time as the Company either published a prospectus relating to the Atomic Acquisition or submitted a restoration request for approval by the FCA.

In connection with the Atomic Acquisition, the Company paid an aggregate of $54.0 million in consideration comprised of the following: (i) a non-refundable $1.0 million deposit paid on December 16, 2020; (ii) an initial payment of a refundable deposit of $8.0 million in two payments of $4.0 million, the first on December 31, 2020 and the second on January 7, 2021; (iii) assumed debt in the amount of $26.0 million settled at closing by the Senior Credit Facility; (iv) cash in the amount of $15.0 million; and (v) 8,188,733 Common Shares at a deemed value of $4.0 million of the purchase price. The parties to the Senior Credit Facility are COPLA, as borrower, COPLA, SWP and Pipeco, as guarantors, the Agent as the administrative agent and collateral agent, and the Lender as lender. The Senior Credit Facility provides for a total senior secured term loan facility of $65.0 million bearing interest at a rate of LIBOR, with a floor of 2% plus 10.5% per annum and with a maturity date of March 16, 2025. COPLA Holding, COPLA, Atomic, SWP and Pipeco granted a first priority perfected security interest in all of their respective owned and hereafter acquired property including all oil and gas reserves and equity interests to the Lender and Agent. The Senior Credit Facility provided COPLA with a base loan facility of $45.0 million to fund the Atomic Acquisition and associated refinancing, to retire trade payables owed by Atomic and its affiliates, to fund cash liquidity into COPLA and/or to pay financing fees and transaction and legal costs in relation to negotiating the Senior Credit Facility and facilities thereunder. The loan facility provided under the Senior Credit Facility provides COPLA with additional flexibility to utilize up to $20.0 million to fund future developments, the approval of which are at the sole discretion of the Lender. The process for utilizing the additional incremental amounts up to $20.0 million is subject to further notice to the Lender under the Senior Credit Facility and requires COPLA to enter into additional loan documentation to evidence these additional amounts. The Company, through its March 2021 Placing, provided SWP with $9.0 million of working capital.

Under a separate warrant agreement between the Lender and COPLA dated March 16, 2021, the Lender was granted five warrants representing 5% of the common shares of COPLA (the "**Lender Warrants**") for $0.01 per Common Share (the "**Lender Warrant Agreement**"). The Lender Warrants may be exercised, in whole or in part, at any time and from time to time from and after March 16, 2021 until the later of 60 days after the Senior Credit Facility has been repaid in full or March 16, 2025. Upon exercise, the Lender would be entitled to redeem such warrants for an amount of cash equal to the greater of approximately 5% of the Company's market capitalization or 5% of the net asset value of COPLA at such time.

On March 19, 2021, the Company announced that it intended to make a formal application to the FCA under the LSE's listing rules for the cancellation of the Company's listing of its existing Common Shares, ahead of a proposed listing application of the Common Shares of the Group following the Atomic Acquisition.

On August 13, 2021, the Company announced its affiliate SWP, operator of the BFSU, filed a lawsuit in the State Court of Wyoming, Converse County, against the following named defendants: Cuda LLC, a wholly owned subsidiary of Cuda, Bridging Finance, Inc. ("**Bridging**"), and Tallinn Capital Energy L.P. ("**Tallinn**"), to seek a Judicial Foreclosure on Cuda LLC's non-operated working interest in the BFSU. On July 8, 2021, SWP filed a statutory lien in the State of Wyoming, Converse County against Cuda LLC's interest in the BFSU in the amount of $1.9 million. On July 26, 2021, SWP filed a claim (the "**Cuda Claim**") in the Eighth Judicial District Court, State of Wyoming as plaintiff against Cuda LLC, Bridging, and Tallinn as defendants. SWP's Cuda Claim sought the following heads of relief: a judicial foreclosure order against the defendants of the SWP liens on Cuda LLC's interest in the BFSU; an award of damages for breach of contract by Cuda LLC; a quantum meruit or unjust enrichment judgment against Cuda LLC; damages for a breach of promissory estoppel against Cuda LLC; and a declaratory judgment as to the lien priority against Bridging and Tallinn to affirm SWP's first lien priority on Cuda LLC's security against the BFSU.

On August 17, 2021, the Company was readmitted to the standard listing segment of the LSE's official list, and to trading on the main market for listed securities of the LSE.

On August 18, 2021, the Company announced that its application to the Alberta Securities Commission, the Company's principal regulator for a management cease trade order was granted. The Company further announced that the management cease trade order was made to secure additional time for the Company to prepare its unaudited interim financial statements and the applicable CEO and CFO certifications in respect of such filings for the period ended June 30, 2021. The terms of the management cease trade order restricted all trading in securities of the Company by the CEO and the CFO of the Company until two full business days following the date the Company filed the interim filings and other related disclosures.

On August 25, 2021, the Company announced that it had issued Common Shares pursuant to exercises of Warrants including: 2,175,000 Common Shares issued on August 23, 2021 and 5,850,000 Common Shares issued on August 25, 2021. The Company further announced that applications had been made to the FCA and LSE for the 8,025,000 Common Shares to be admitted to the LSE's official list and to trading on the LSE's main market for listed securities. The admission to trading occurred at 8:00 am on August 26, 2021.

On October 1, 2021, the Company announced the completion of the Share Consolidation, which saw the Company's pre-Share Consolidation share capital of 16,426,953,124 Common Shares become 164,269,464 Common Shares on a post-Share Consolidation basis.

On December 1, 2021, the Company announced the completion of a Common Share placing in the Company of 30,250,000 Common Shares at a price of £0.20 per Common Share to raise gross proceeds of approximately $8.0 million, which will be used for a bid for the Cuda Asset Acquisition and for general working capital purposes.

On December 6, 2021, the Company announced the appointment of Mr. Nigel Little as an independent non-executive Director who replaced Viscount William Astor who stepped down from the Board after a six-year term.

Year-Ended December 31, 2022

On January 10, 2022, the Company confirmed that the exploration well drilled in August 2021 had made a significant conventional light oil discovery on its large operated leasehold position in Converse and Natrona Counties, Wyoming. Light crude oil was discovered in stratigraphic traps in the Upper Cretaceous Frontier formation sands and the Lower Cretaceous Dakota formation sands. Mapping of the reservoirs on regional trends has shown the discovery to be extensive.

On February 8, 2022, the Company announced that the Board of Directors approved the granting of 15,430,000 Options effective January 29, 2022. The Options were granted under the Stock Option Plan at an exercise price of

CAD$0.54 per Common Share to the Company's Directors, officers, and employees and expire five years from the date of grant.

On April 6, 2022, the Company announced that COPLA had entered into a third amendment and received a limited waiver dated March 31, 2022 from the Lender, subject to certain conditions, with respect to a waiver of past defaults determined by the Lender in respect of the Senior Credit Facility.

On April 19, 2022, the Company announced that COPLA had signed an asset purchase and sale agreement to acquire the Cuda LLC assets. The Group had submitted bids on the Cuda LLC assets in a sales process mandated by a receivership order on Cuda and its affiliates by the Court of Queen's Bench of Alberta in Canada and a Chapter 15 recognition order for Cuda by the United States Bankruptcy Court for the District of Wyoming.

On April 22, 2022 the Company completed a placement of 49,930,000 units (the "**April 2022 Placing**") at a price of £0.20 ($0.26) per unit for gross proceeds of £10.0 million ($12.8 million). Each unit was comprised of one Common Share and one half of one Warrant. Each Warrant entitled the holder thereof to purchase one additional Common Share at a price of £0.24 ($0.31) per Common Share until October 22, 2022.

On April 27, 2022, the Company announced the appointment of Robert Chenery as an independent non-executive Director effective April 1, 2022.

On May 3, 2022, the Company announced that the Cuda Asset Acquisition was approved in Canada by the Court of Queen's Bench of Alberta on April 29, 2022.

On June 6, 2022, the Company announced that the Cuda Asset Acquisition was approved by the United States Bankruptcy Court for the District of Wyoming on June 3, 2022.

On July 26, 2022, the Company announced that it had completed the issue of 54,792,590 Warrants and the issue of 63 2024 Bonds with a principal amount of $12.6 million maturing in 2024 and 63 2025 Bonds with a principal amount $12.6 million maturing in 2025 at an issue price of 78% or $19.7 million (the "**July 2022 Bond Placing**"). The Bonds carried an initial interest rate of 13% per annum in cash, which accrue and increase by 0.75% on a quarterly basis until the Company gives notice to the holders that it will henceforth pay all interest coupons in cash, upon which interest will decrease by 2% per annum. The Warrants entitle the holder thereof to acquire a Common Share at £0.1675 per Common Share until 30 months from the date of issuance of the Warrants. The July 2022 Bond Placing proceeds were used to finance the Cuda Asset Acquisition.

On July 26, 2022, the Company announced that it had completed the Cuda Asset Acquisition.

On August 8, 2022, the Company announced that it had issued 5,895,000 Common Shares and 5,895,000 Warrants to its financial adviser and brokers in connection with the July 2022 Bond Placing. Each Warrant entitled the holder thereof to acquire one Common Share at £0.1675 per Common Share until 24 October 2022. The Company also announced that it had issued 9,995,002 Common Shares pursuant to a conversion of $2.0 million principal of the Bonds.

On August 12, 2022, the Company announced that it had issued 1,999,000 Common Shares pursuant to a conversion of $0.4 million in principal of the Bonds.

On 25 August 25, 2022, the Company announced that it had issued 1,999,000 Common Shares pursuant to a conversion of $0.4 million in principal of the Bonds.

On September 14, 2022, the Company announced that SWP had made an application to the WOGCC to temporarily flare additional gas at the BFSU in Wyoming.

On September 22, 2022, the Company announced that it had issued 1,999,000 Common Shares pursuant to a conversion of $0.4 million in principal of the Bonds

On October 12, 2022, the Company announced that the WOGCC granted the application by SWP to temporarily flare additional gas volumes at the BFSU.

On October 26, 2022, the Company announced that it had issued 1,999,000 Common Shares pursuant to a conversion of $0.4 million principal of the Bonds.

On December 21, 2022, the Company announced a costless restructuring of its West Texas Intermediate ("**WTI**") and Butane ("**Normal NC4**") hedges effective January 1, 2023. Highlights of costless hedge restructuring include:

- the Company's current WTI swaps from January 2023 to June 2023 at a price of $52.87/bbl for approximately 1,000 bbls/d have been cancelled;
- the Company's butane swaps from January 2023 to June 2023 have been reduced to a volume of 350,000 gallons/month at $0.67/gallon to align the volume subject to swaps to the Company's planned injection forecast at the BFSU miscible flood; and
- the net liability to unwind the above positions has been exchanged for new WTI swaps at an improved price of $52.88/bbl from March 2024 to December 2024 on 1,000 bbls/d and for WTI puts to provide downside protection for the first half of 2023 on 750 bbls/d at $60.00/bbl.

On December 30, 2022, the Company completed the issuance of 20 2025 Bonds for an aggregate principal amount of $4.0 million at an issue price of 80%, or $3.2 million (the "**December 2022 Bond Placing**") and 12,760,572 Warrants. The Warrants entitle the holder thereof to acquire a Common Share at £0.18 until June 30, 2026.

On December 30, 2022, the COPL Group entered into an amendment and waiver in respect of the anticipated default of certain financial requirements under the Senior Credit Facility.

Recent Developments

On January 4, 2023, the Company announced that pursuant to Anavio's investment in the Bonds, the full conversion of the Bonds held by Anavio would result in the issuance of Common Shares to Anavio representing 16.4% of the issued and outstanding Common Shares, calculated on a fully-diluted basis. The exercise of all Warrants held by Anavio would result in the issuance of Common Shares representing approximately 12.1% of the issued and outstanding Common Shares, calculated on a fully-diluted basis.

On March 24, 2023, COPLA received a waiver from the Lender for the liquidity covenant as at March 31, 2023 and the asset coverage ratio of 1.5:1 and leverage ratio of 2.5:1 as at March 31, 2023 and June 30, 2023 subject to the following conditions:

- the Borrower shall provide an approved plan of development acceptable to the Lender on or before April 7, 2023 that relates to spending from March 24, 2023 to December 31, 2023;
- the Company shall contribute $8.0 million to COPLA no later than March 21, 2023, which has been satisfied; and
- an increase of the Lender Warrants to 8.5% of the common shares in the Borrower.

The Lender also has an option to receive Bonds on economic terms no less favorable than the Bonds issued in March 2023 (see below) in exchange for future interest payments.

On March 24, 2023, the Company issued the following supplemental Bonds and warrants instruments:

- 37 new 2027 Bonds with a principal face value of $7.4 million and a maturity date on January 26, 2027;
- 37 new 2028 Bonds with a principal face value of $7.4 million and a maturity date on January 26, 2028; and
- 70,257,026 new Warrants which entitles the holder to purchase one Common Share at an exercise price of £0.0.675 ($0.0817) on or before August 26, 2027.

The new 2027 and 2028 Bonds were issued with a 20% discount to the principal face value for total proceeds of approximately $11.8 million and have a conversion price of £0.0.675 ($0.0817) per Common Share. The other terms of new 2027 and 2028 Bonds remain the same as the original 2024 and 2025 Bonds and for the purposes of interest calculations, the new Bonds have a deemed issue date of July 26, 2022. In connection with the issue of the new 2027 and 2028 Bonds, the Company paid brokers' fees of approximately $0.6 million. The net proceeds from the new 2027 and 2028 Bonds issue will be used to fund production growth in the US and to cover the Company's general and administrative expenses. In addition, the supplemental Bonds instruments and warrants instruments provide for some changes in the terms of the 2024 Bonds and the 2025 Bonds that were outstanding and unconverted as at March 24, 2023. The major changes include:

- an extension of maturity date for the 2024 Bonds to January 26, 2027;
- an extension of maturity dates for the 2025 Bonds to January 26, 2028;

- a change in the conversion price for all the Bonds and the exercise price for all the Bondholders' Warrants to £0.0.675 ($0.0817) per Common Share; and
- an extension of the expiry date for all Bondholders' Warrants to August 26, 2027.

As at the date of filing of the AIF, the Company received additional conversion notices from its Bondholders to convert five of the 2024 Bonds and two of the 2025 Bonds. Further to these conversions the Company issued a total of 8,843,965 Common Shares, along with 1,263,423 Common Shares issued on January 6, 2023 related to the 2024 Bond conversion which occurred on December 30, 2022**.** In addition, the Company issued 30,844,945 Common Shares pursuant to the share settlement option exercised by certain Bondholders for settlement of $2.6 million of the Conversion Payment amounts and related accrued interest due in respect of four converted 2024 Bonds and 16 converted 2025 Bonds. The number of shares issued for settlement of these Conversion Payments is based on the lowest 5 day volume weighted average market price following election of the share settlement option for the Conversion Payments. As at the date of filing the AIF, the Company has a total of 187 unconverted Bonds outstanding with a principal amount of $37.4 million.

In March 2023, the Company issued a total of 29,134,406 Common Shares to certain vendors at a deemed price of £0.0675 ($0.0817) per Common Share, further to executed debt exchange arrangements in lieu of cash payments for outstanding accounts payables due to these vendors of approximately $2.4 million.

Significant Acquisitions

On July 26, 2022, the Company affiliate, COPLA, closed the Cuda Asset Acquisition with the court-appointed receiver for Cuda for cash consideration of $19.15 million plus the assumption of Cuda's operating arrears owed to the Company of $1.7 million and acquisition costs of $0.1 million for a total cost of $20.9 million. Cuda LLC's sole assets were non-operating interests in the BFSU (27% working interest), the CCU (33.3% working interest) and non-unitized lands complimentary to COPLA's assets. As such, COPLA became the majority owner of its Wyoming Assets with operated interests of 85% to 100% across its three oil producing Units in Wyoming. The COPL Group financed the Cuda Asset Acquisition through proceeds from the July 2022 Bond Placing.

OIL AND GAS PROPERTIES

Wyoming, US

Overview of the Oil and Gas Industry in Wyoming

The PRB is a large structural and topographic depression that runs sub-parallel to the trend of the Rocky Mountains. The PRB is located approximately 50 miles southwest of Gillette, Wyoming and 100 miles northeast of Casper, Wyoming. The basin is bounded by the Hartville Uplift and the Laramie Range on the south, by the Black Hills and the Big Horn Mountains to the east, and by the Casper Arch on the west. Southeastern Montana's Miles City Arch forms the northern boundary of the basin.

The oil industry has been a part of the Wyoming economy since the beginning days of statehood. In the early 19th century, explorers in the "Wyoming territory" reported evidence of natural oil seeps. These explorers reported that native peoples extracted the oil from "oil springs" where oil bubbled to the surface, using the greasy residues for war paint, decoration on hides and teepees, horse and human liniments and other medications.

In 1866, it was reported that oil had been found near Fort Bridger, Wyoming. An attempt was made to develop the oil spring commercially. In the following years, the spring produced 150 barrels of oil. The entire amount of oil was sold to the Union Pacific Railroad as a lubricant. Wyoming Territory's first drilled oil well was drilled in 1883 at the Dallas Dome, finding oil at 300 feet in the Chugwater formation. Markets for the unrefined petroleum were limited and most was sold to tanning companies in Utah and to the Union Pacific Railroad to lubricate railcar axles.

The largest, most significant oil field in Wyoming in the early 20th century was the Salt Creek field in northern Natrona County about 40 miles north of Casper. This giant field, discovered in 1908, produced over 650 million barrels of oil.

The PRB in Wyoming continues to be an important oil and gas producing basin that has produced over 2.5 billion barrels of oil and 9.8 trillion cubic feet of natural gas. The USGS estimates that the PRB contains approximately one billion barrels of remaining recoverable oil.

Hydrocarbon pools in the PRB generally occur in anticlinal structural traps and stratigraphic traps. The Paleozoic productive zones include the Tensleep Sandstone and the Minnelusa Formation that contain both structurally and stratigraphically-trapped oil and gas. Cretaceous-aged reservoirs that represent the major hydrocarbon zones in the

PRB include the sandstones of the upper Cretaceous Frontier Formation, the Shannon and Sussex sands of the Cody Shale Formation, as well as the Parkman sand and Teapot sand of the overlying Mesaverde Formation. Hydrocarbons are also produced from the Muddy sandstones, Dakota sandstones, and Lakota sandstones of the Lower Cretaceous.

The Upper Cretaceous sand members represent the western shoreline of the Cretaceous Epicontinental seaway that can be traced from the Arctic to the Gulf of Mexico. These sands were derived from older, uplifted sediments to the west.

The main source rock for both the Lower Cretaceous and the lowermost Upper Cretaceous-aged hydrocarbon producing zones was the organic Mowry Shale. Hydrocarbons were also sourced from the Niobrara and Carlile Shale for some of the Upper Cretaceous sands. The Mowry Shale has a high TOC (up to over 4%) of Type II and Type III kerogen. It is estimated that 11.9 billion barrels of oil were generated and expelled from the Mowry Shale (Momper and Williams, 1984). The Mowry was buried in the deepest part of the PRB where elevated temperatures allowed oil to be generated from this rich source rock. The oil was expelled and migrated from the deep oil generation area towards the east where it became trapped in Cretaceous-aged sand layers. The migration was also influenced by the northeast to southwest trending structures in this basin.

Wyoming Regulatory Framework

The majority of the initial oilfields discovered in Wyoming were located on public lands. Under the existing federal laws, an oil prospector who located a "provable" oil claim on federal lands could pay a small filing fee and hope for a strike. If oil was found on federal land, no payment to the government was required. Conversely, if oil was struck on private land, the landowner would receive a royalty payment.

The *Oil and Gas Leasing Act* of 1920, changed the law such that oilmen no longer could "claim" oil on federal lands. However, they could lease the lands, and pay production royalties to the federal government in the same way that they would a land owner.

Federal mineral royalties from oil, coal and trona, represent an important source of state revenues.

The BLM leases minerals and manages oil and gas development activities on over 570 million acres of BLM and other federal lands, in addition to private lands where mineral rights have been retained by the federal government. The Forest Service is responsible for identifying areas within the national forest system lands where leases can be sold. The Forest Service will also determine any lease stipulations that are necessary to protect surface resources. The BLM issues mineral leases and manages the sub-surface operations, while the Forest Service and other land management agencies bear responsibility for surface operations. The majority of the regulations that govern the BLM's oil and gas leasing program can be found in *Title 43 of the Code of Federal Regulations, Part 3100*. The BLM has the authority to approve or deny oil and gas leases or to impose environmental restrictions on leases when appropriate. Oil and Gas regulations relating to the Forest Service are found in *Title 36 of the Code of Federal Regulations, Part 228, Section E*.

The oil and gas industry in Wyoming is largely governed by the statutory provisions in *Title 30, Chapter 5 Oil and Gas of the Wyoming Code*. Chapter 5 creates the WOGCC and vests authority in the WOGCC to regulate oil and gas operations within the state, administer drilling permits, promulgate rules, and enforce Wyoming's statutes and regulations. The WOGCC is also responsible for appointing a State Oil and Gas Supervisor to ensure industry compliance with laws and regulations.

Wyoming's *Environmental Quality Act* also plays a significant role in regulating the environmental impacts of oil and gas operations within the state. The WOGCC and other state agencies, such as the Wyoming Air Quality Division, publish guidelines and policy statements intended to shape the future of oil and gas development in the state and ensure that regulated industries understand and maintain compliance with Wyoming's statutes and regulations.

The Wyoming Assets

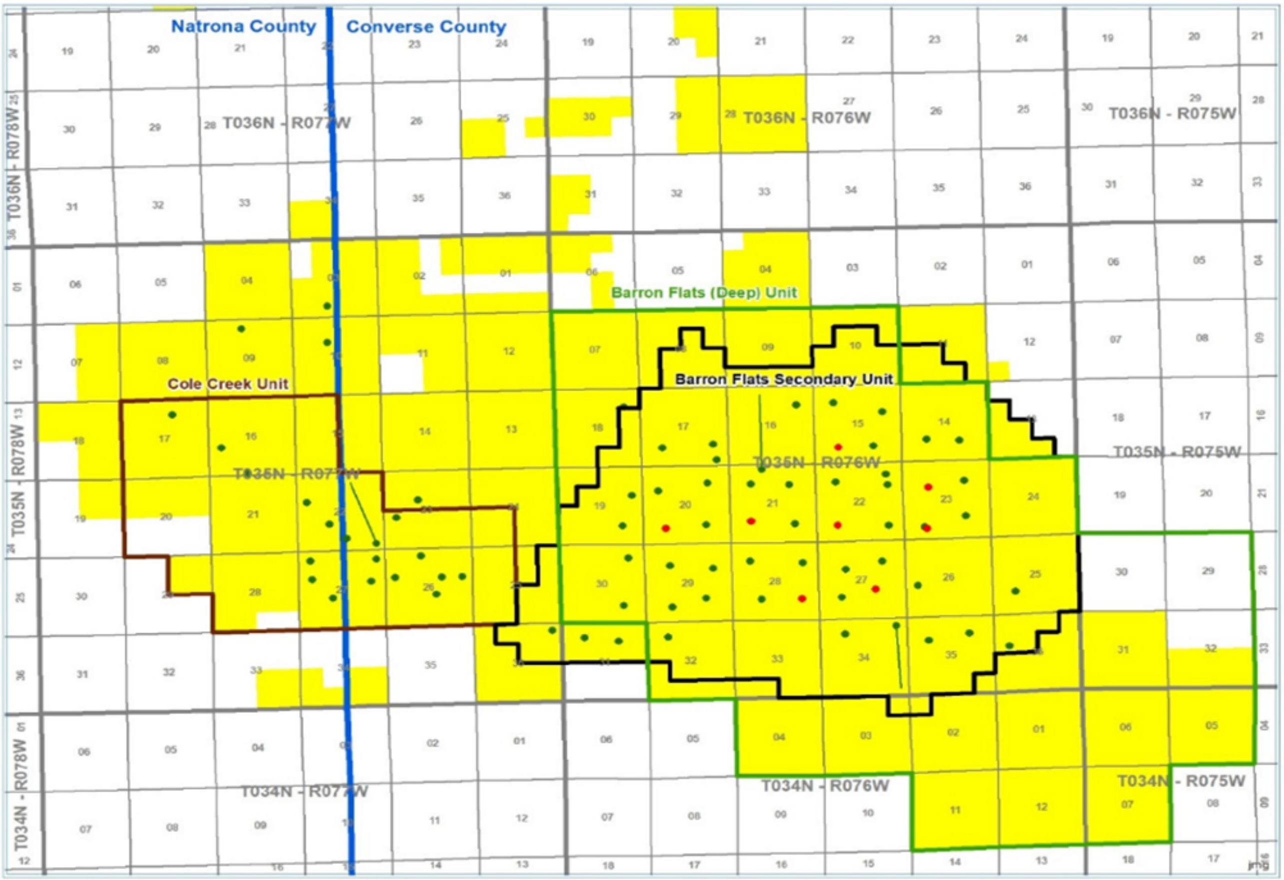
Full disclosure of the estimated reserves associated with the Wyoming oil fields is documented in Appendix A, as part of this Annual Information Form. Appendix A contains the required NI 51-101 F1 form for disclosure of reserves under the COGE Handbook.

The Company's holdings now include an 85.68% operated working interest in the wells in the BFSU and a 100% operated working interest in the wells in the CCU. In December 2019, enriched hydrocarbon gas miscible flooding commenced on the BFSU.

With respect to the Cole Creek property (including Unit and Non-Unit), significant development drilling is expected to begin in 2026, with EOR potentially commencing upon production plateauing at the BFSU. Any EOR improvements would be additional to this expected production. The reserves attributed to the Cole Creek property do not consider the highly prospective Frontier 1 interval, which is expected to be tested in early 2023 with a re-completion opportunity in an existing wellbore. Furthermore, initially, up to six cased oil wells may be re-completed in the Frontier 1 formation and put back onto production.

These oil-producing assets (BFSU and CCU) are at the beginning of their 40+ year life with increasing production to a future production plateau. The produced crude oil is light (40.6°API) and sweet.

The figure below indicates the BFSU wells within the Unit boundary (black outline), CCU wells with the Unit boundary (red outline) and the BFDU lands (green outline). Green dots within the black outline are producing BFSU oil wells and red dots are BFSU gas injection wells.



Note:

(1) Based on the 2022 RS Report in Appendix A, the Wyoming Assets has a total of 33.8 MMbbls of gross company oil reserves on a total proved plus probable basis.

Barron Flats

The BFSU is located in Township 35 North, Range 76 West in Converse County, Wyoming and situated within the PRB about 25 miles northeast of Casper, Wyoming. The BFSU reservoir was discovered by Chesapeake Energy and the original drive was limited to solution gas expansion. Primary production reached a peak of about 1,700 bbls/d in 2018 after additional producing wells were drilled by the Atomic Group. Construction of the gas plant/injection facility commenced in late 2018 and the plant was commissioned in October 2019. Gas injection commenced in November 2019 through a single injection well pilot pattern and currently there are eight injection wells configured within essentially 160 acre spaced inverted 9 spot patterns, the last of which was placed online in December 2020.

The primary working interest holders in the BFSU (Shannon Secondary Recovery Unit) are: Atomic (58.05%); COPLA (27.09%); and CNOOC (14.43%). The primary working interest holders in the BFDU are: Atomic (55.55%); COPLA (27.77%); and CNOOC (16.66%). The operator of the BFSU and BFDU is SWP, which is a 100% owned subsidiary of Atomic. The Company acquired 100% of privately-held Atomic, SWP and Pipeco in the Atomic Acquisition and acquired further working interests held by COPLA in the Cuda Asset Acquisition.

The upper Cretaceous Shannon Sandstone Member of the Cody Shale formation was deposited as clean sand during the Campanian time. The Shannon Sandstones were deposited as conspicuous northwest to southeast trending clastic ridges that are over 100 feet in thickness, thousands of feet in width and tens of miles in length. The depositional environment for the Shannon is uncertain, but could have involved deposition upon incised "ravinement" surfaces during a sea level low stand where sand was preserved in bathymetric lows, but were later eroded over bathymetric highs. The coarsening-upwards sequence characterize marine processes in the deposit. It was long believed that the Shannon sand trends were deposited in offshore bars that had been reworked by longshore currents.

The Shannon sand, generally, exhibits four separate depositional facies within it. From the top, facies one has the best reservoir potential because of its relatively high porosity and permeability and larger grain size. It is a trough cross bedded, glauconitic sandstone containing locally abundant shale rip-up clasts. Abundant glauconite in facies may produce a distinct green color. Facies two is characterized by discontinuous, horizontal, rippled sandstone and shale laminae that are truncated by horizontal, inclined burrows. This sand is also glauconitic and "greenish". Facies three lacks bedding and locally is mottled due to extensive burrowing. This zone is a mixture of argillaceous sand and silt. Facies four is made up of laminated or massive shale and rare sandstone lenses containing minor burrowing and current ripples. The shale may be dolomitic and this facies is barren of foraminifera.

Outcrops of the entire Shannon Sandstone Member have been mapped along the west side of the basin including outcrops in Natrona County, which is about 30 miles northwest from the BFSU. The Shannon Sandstone Member is found to have a porosity range from near zero in argillaceous and bioturbated silt and sandy layers in facies three, four to over 20% in clean, well-sorted, medium-grained sandstone in facies one and two. Permeability ranges from less than 1 md to more than 100 md and an 8% porosity cut-off was used to delineate the Shannon pool in the BFSU.

The Shannon Sandstone field in the BFSU is stratigraphically-trapped on the northern, eastern, western and southern sides by a pinch out of the porosity in the upper Shannon zones. This trapping mechanism covers about 30 square miles. Most of the wells in the production Unit have Shannon net pay thicknesses ranging from 10 feet to 42 feet.

The original plan was to inject gas (60% methane and 40% propane and butane) at 3.5 Mmcf/d stepping up to 5.0 Mmcf/d. This was based on the original pre-injection simulation. Following COPLA's acquisition of the property, the initial focus to achieve production increases was to increase injection rates into the BFSU injectors to as much as 10.0 Mmcf/d. The reservoir simulation modelling work and the actual performance of the field suggested early on that increasing gas injection rates into the injectors would have a significant effect on accelerating increased oil production. Indeed, the effects of backing off on the injection rates at various times could be seen as a direct correlation to lower field production levels. Thus, the injection plan had been to try and keep the total injection rates as high as facility and well limitations would allow. Due to gas and liquids supply issues, and GGS constraints, the average injection rate in 2022 was approximately 4.5 Mmcf/d.

During the same period, the costs of liquid purchases required for the higher injection rates became increasingly expensive, to the point where economic feasibility of the flood operation was being compromised.

Updated simulation modelling was performed because of these two "new realities" to investigate the effect of lower injection rates and the drastic cutting back of enriching liquids use in the injectant stream. It was found that the need for a continuous mix of 30% liquids was not necessarily required due to a sizable miscible bank built up in the initial injection period. Rather, a scheme of a much leaner dry gas stream could be used to push the miscible oil towards the producer wells. This is not considered to be a permanent strategy, especially for the immature patterns to the west and any new patterns to be developed in the future.

A lean injection mixture, consisting of recycled produced gas and purchased dry natural gas was deployed from February, 2022 through October 2022 with production performance monitored closely. On October 1, 2022, enriched gas injection recommenced on the western injection patterns with dry gas injection continuing on the eastern injection patterns to continue to move the miscible bank in the eastern area. As new injection wells are drilled, or when existing producing wells are converted to injection wells, additional volumes of NGLs will be purchased and injected in these new patterns in order to build miscibility in new areas of the reservoir.

The overall intent of this strategy is to ensure the economic viability of the project by reducing the purchased products costs, while minimizing the effect on reserves recovery overall. It is expected that the injection rates will generally be kept below 10.0 Mmcf/d, and simulation work suggests that more meaningful gains in production and recovery will result from converting more producers to gas injectors to access unswept areas of the reservoir. Simulation work will be a continuous process as new data comes in from the field response, and plans will be shifted as appropriate. All of the purchased gas and liquids will be sold to market at the end of the project life, as the miscible flood acts as a storage mechanism until that point.

Another significant component of the remaining field development is the planned development drilling program for 2024 and 2025. After remapping the field, reservoir simulation modelling and RS analysis, a list of 19 locations were chosen as the best candidates from a list of 35 potential new development opportunities. To optimize capital spending, and to limit the logistics of a large amount of work in one year, it was decided to defer the drilling of the first eight wells until 2024 (six producers and two injectors, to complete certain patterns and initiate certain new patterns), and a further 11 wells in 2025 (nine producers and two injectors). The first eight wells in 2024 are considered to be the best candidates from the remaining locations. They will also serve to give valuable information on the accuracy of the geological mapping and simulation model prior to developing additional patterns. Also included in the plans is the conversion of an existing producing well to gas injection in 2023. This development drilling program has been postponed until the de-bottlenecking of the GGS has been resolved. As things are fluid with the simulation modelling work, a possible scenario in 2024 or 2025 is the replacement of a few of the planned new wells with existing producer to injector conversions, thus rearranging certain patterns to promote improved sweep efficiency. Ongoing simulation work suggests that converting existing producing wells to gas injectors may yield better performance for the field and increase reserves. Costs for conversions would be significantly less than the cost to drill a new well.

The COPLA Group has internally re-evaluated the performance of the BFSU miscible flood and its gas injection strategy that it commenced in April 2021 and reached the following conclusions:

- The reservoir volume of the BFSU appears to have been underestimated as approximately 30% more volume of enriched gas has been injected into the reservoir to achieve the production response observed this year, indicating a larger resource base than predicted by the original modelling. Performance data suggests that the eastern injection patterns are more mature with movement of the miscible bank being observed.

- Unexpected high pressures experienced in five production wells appears to be due to previously unrecognized trends in the reservoir, which only became apparent after the increase in reservoir pressure and movement of the miscible bank were studied.

- The delayed production response from the original reservoir simulations is likely due to the observed increase in reservoir volume and unrecognized production trends thus effecting the movement of the miscible bank in these areas.

In the past year much has been learned about the BFSU miscible flood project. Average daily oil production was constrained in 2022 due to the previously mentioned bottlenecks in the BFSU surface infrastructure. The COPLA Group's ability to optimize the field production rates and take advantage of the oil production response to the enriched gas injection is currently significantly impacted by the low pressure infrastructure at the well sites which include treaters, tanks and vapor recovery units and the local GGS constructed with plastic pipes, which now clearly reveals that infrastructure decisions by the previous owner of the assets were extremely short sighted. The COPLA Group has implemented several measures to mitigate the circumstances and is currently observing increased production rates, however, overall operation continues to be unstable. Once stable, the COPLA Group will be in a better position to forecast its production going forward. Upgrades to the GGS are being re-engineered in response to increases to predicted flowing pressures and production of enriched gas volumes along with crude oil. Concurrently, the reservoir simulation model is evolving to better match well performance history and overall pool performance which is also expected to lead to better predictability. Until the infrastructure upgrade and debottlenecking is complete, there will continue to be take away constraints at certain wells.

Key capital items addressing the noted restrictions being proposed for 2023 and beyond are as follows:

- a phase one GGS upgrade which will address much of the low-pressure gas gathering line restrictions in the center of the field, with future phases to branch out to outlying wells;
- a gas plant start-up, which will capture liquids from the produced gas stream to improve control of the recycle of NGLs and target specific patterns for higher levels of enrichment;
- a second compressor installation for the gas plant, which would increase produced gas processing capacity from 3.0 Mmcf/d to 10.0 Mmcf/d;

- a third compressor installation, which will increase gas injection compression capacity to 12.0 Mmcf/d; and
- a phase one surface facility upgrade regarding the central procession facility, which will address single/multi-well battery limitations and oil gathering lines mirroring the GGS upgrades.

The latter projects in the foregoing list would be timed to compliment future development wells/patterns which will be necessary to fully exploit the BFSU pool.

The COPLA Group has worked closely with RS to ensure all the proposed changes to development are incorporated in their reserve volumes estimations. Ongoing efforts for production optimization and pattern balancing/management are expected to lift production back to levels achieved in late 2021. Resolution of the GGS bottleneck and development of new patterns alongside more robust oil gathering and processing infrastructure are projected to allow for productivity gains up to the plateaus forecast in the total proved + probable reserve model represented in the 2022 RS Report.

BFSU Planned Development

The BFSU is in the middle phase of development with eight inverted nine spot patterns fully or partially completed. The original pilot pattern and two adjacent patterns have exhibited excellent response to miscible gas injection. The other five patterns are incomplete or relatively immature and continue to operate in the "fill up" phase of the EOR process. The COPLA Group has identified additional patterns ready for development that require new wells and infrastructure. These future patterns are included in the 2022 RS Report as proved undeveloped locations. There are additional patterns beyond these that are included as probable undeveloped locations or patterns.

Cole Creek Unit

The CCU is situated in Township 35 North, Range 77 West in the PRB, directly west of the BFSU. The county line that separates Converse County from Natrona County, Wyoming bisects this township. This oil Unit originally produced 9.1 MMbbls from the Upper Cretaceous Shannon Sand member of the Cody Shale formation. This Shannon oil pool was discovered in April 1940 when a well that was drilled in 1938 was completed in the Shannon Sandstone Member as a producing well pumping 430 bbls/d. Samples shows and well logging illustrated that the lower Cretaceous Dakota sand and underlying Lakota sand were oil-bearing. Some wells in the Cole Creek field produced from the Dakota and Lakota sands. Historically, 9.1 MMbbls have been produced from the Shannon Sandstone Member; 6.3 MMbbls have been produced from the Dakota sand; and about 1.0 MMbbls have been produced from the Frontier sands. Atomic and COPLA have a combined 60.9% interest in a significant portion of the acreage (18,828.9 gross acres) in Township 35 North, Range 77 West, including the CCU that is comprised of 6,000 gross acres.

The primary working interest holders in the CCU are: Atomic (66.67%); and COPLA (33.33%). The operator of the CCU is SWP, which is a 100% owned subsidiary of Atomic. The COPLA Group acquired 100% of privately-held Atomic, SWP and Pipeco in the Atomic Acquisition and acquired further working interests held by COPLA in the Cuda Asset Acquisition.

The PRB is a Laramide-age, asymmetric, north-northwest trending structural basin. The PRB is classified as an intermontane compressional foreland basin. The PRB was a portion of a subsiding trough that formed on the east side of the lengthy orogenic belt and was the site of marine inundation of the epicontinental seaway during the Cretaceous. The Cole Creek field is situated along a doubly plunging anticline that trends in a northwest to southeast direction. The anticline of the South Cole Creek field is separated from the Cole Creek field by a "saddle". At Shannon sand level, there is at least 150 feet of structural closure at Cole Creek.

The lower Cretaceous Dakota sand is stratigraphically trapped at Cole Creek. The Dakota was deposited as a broad deltaic system that includes incised valley deposits, distributary channels, and delta front (marine) sands. Most Dakota oil production is from stratigraphically-trapped incised valley and distributary channel systems.

This widespread clastic wedge prograded into the Western Interior Seaway from the south and east. It is composed of a marine, deltaic, and alluvial complex which becomes progressively more marine to the west, where it consists entirely of marine shale and siltstone of the Thermopolis Shale. Reservoir rocks are generally fine-grained to medium-grained quartzose sandstones. Average reservoir porosity generally ranges from 8% to 23% and averages from 13% to 18%. The sand unit is sealed at the top and bottom by enclosing shales. The permeability developed in the Dakota can be variable and Dakota net pay ranges from 5 feet to 20 feet at Cole Creek.

The second sand of the upper Cretaceous Frontier formation is also prospective at Cole Creek. Well logs illustrate the development of a reservoir quality sand in the Frontier formation. Slawson drilled the 44- 22H horizontal well within the Frontier sands along the east limb of the structurally-closed anticline in 2018. This well, reportedly, had some drilling issues and multiple fracs were not performed. It has produced over 61,000 bbls of oil and only 5,500 bbls of water since 2018. A properly drilled horizontal well in the Frontier sands with 40 to 60 stage fracs would be expected to produce at an initial rate of 1,000 bbls/d. Net pay for the Frontier sands ranges from 10 feet to 35 feet in the Cole Creek area.

CCU Planned Development

For future development, the Cole Creek pool will require a substantial investment in drilling and surface/processing equipment, given its current state of operation. RS has estimated that 217 MMbbls of discovered petroleum initially in place underly COPLA Group lands in the Upper Cretaceous Frontier 2 sand (Frontier Formation) with a potential development drilling plan incorporating 23 total horizontal locations (11 proved undeveloped locations and 23 proved + probable undeveloped locations). As well, a total of 71.4 MMbbls of discovered petroleum initially in place from the Lower Cretaceous Dakota Group sands has been identified, with a potential development drilling plan of 16 horizontal proved undeveloped locations and 16 proven + probable undeveloped locations.

In the last week of December 2022, COPLA initiated recompletion operations on the Cole Creek 11-27 well to evaluate the light oil potential of the Frontier 1 reservoir sands. Well clean-up is continuing with near well-bore damage caused by invasion of significant volumes of fresh water drilling mud during drilling 10.5 years ago. COPLA anticipates conversion of Frontier 1 prospective resources to contingent resources and ultimately reserves as additional producing wells come online. The reservoir data collected in this campaign will be crucial to COPLA's understanding of the reservoir characteristics of the Frontier 1 sands. Up to an additional 6 suspended, cased wellbores may be re-entered and re-completed and/or re-stimulated in the Cole Creek area in the Frontier 1 sands. These wells could add oil production of over 500 bbls/d.

From this large potential of development opportunities, the 2022 RS Report concludes a total of 15.6 MMbbls of total Proved Reserves and Probable Reserves at December 31, 2022 (COPLA gross). The Frontier 2 sand has significantly better porosity and permeability rock characteristics compared with the Shannon sand and could be used as a potential miscible gas flood.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares.

As at December 31, 2022, there were 275,331,966 Common Shares outstanding and no Preferred Shares outstanding. As at the date of this AIF, there were 345,418,705 Common Shares outstanding, no Preferred Shares outstanding, 139,807,388 Warrants outstanding, 18,020,796 Options outstanding and 187 Bonds outstanding for a principal amount of $37.4 million.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all meetings of Shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets among its Shareholders for the purpose of winding-up its affairs, holders of Common Shares, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a distribution, are entitled to share equally, share for share, in the remaining property.

Preferred Shares

In respect of the Preferred Shares, such shares are issuable in series and the Board may fix the number of such Preferred Shares in each series and the designation, rights, privileges, restrictions and conditions attached to each such series.

Warrants

The Warrants entitle the holder thereof to purchase one Common Share, for an exercise price set out in the terms of the agreements governing such Warrants. The Warrants have a weighted average exercise price of $0.21 per Common Share and a remaining contractual life of between three and 30 months and are described further in COPL's audited consolidated financial statements for the year ended December 31, 2022 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

Dividends

The Company has not declared or paid any dividends on its outstanding Common Shares. The Directors do not anticipate paying dividends in the near future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations and other considerations as the Board may determine from time to time.

RISK FACTORS

The risks and uncertainties discussed below and elsewhere in this AIF are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or which the Company currently considers immaterial may also impair the business and operations of the Company and cause the value of the securities of the Company to decline. If any of the following risks actually occur, the Company's business may be harmed and the financial condition and results of operation of the Company may suffer significantly. In that event, the trading price of the Company's Common Shares could decline and investors may lose all or part of their investment. Prospective investors should review the risks with their legal and financial advisors and should carefully consider, in addition to the matters set forth elsewhere in this AIF, the following risks. An investment in the securities of the Company is suitable only for purchasers who are aware of such risks and who have the ability and willingness to accept the risk of total loss of their invested capital.

An investment in COPL should be considered speculative due to the nature of its activities and the present stage of its development. Investors should carefully consider the risk factors set forth below.

Insufficient Working Capital and Going Concern

The COPL Group may not have sufficient working capital for its present and future requirements for at least the next 12 months from the date of this AIF, and may not have cash inflows and/or adequate financing to continue its operations. The COPL Group primarily intends to raise the required additional capital through equity fundraisings or other types of financing. Accordingly, the COPL Group's continued operations, planned growth and future development activities are dependent on its ability to obtain additional financing. There is no assurance that the COPL Group will be able to obtain adequate financing in the future, or that such financing will be obtained on terms advantageous to the COPL Group.

With no assurance that financing in addition to the Bonds issued on March 21, 2023 (see "*General Development of the Business – Recent Developments*") will be obtained in 2023, there is material uncertainty that casts significant doubt on the COPL Group's ability to continue as a going concern.

Operating Cash Flow

In 2020 and prior years, the Company did not have material cash inflows. In 2021, the Company raised additional equity financing, secured debt financing and closed the Atomic Acquisition. In July 2022, the Company acquired further working interests in its Wyoming Assets upon closing the Cuda Asset Acquisition. As a result, the enlarged Company generated positive operating cash inflows in 2022 which is expected to continue from COPLA's oil production activities, for which exposure to commodity pricing risk is managed through risk management contracts until December 2024. However, the level of the COPL Group's indebtedness, and the level of indebtedness relative to the Company's ability to generate cash flow, and the impact of the Company's risk management contracts, from time to time, could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise and could negatively affect its credit ratings.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the COPL Group depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the COPL Group may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the COPL Group's reserves will depend not only on its ability to explore and develop any existing properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the COPL Group will be able to continue to locate satisfactory properties for acquisition or participation on economically favourable terms or at all. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the COPL Group.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs and taxes, royalties or their equivalents. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, any of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the COPL Group is not fully insured against all of these risks, nor are all such risks insurable. Although the COPL Group maintains liability insurance in an amount that they consider consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the COPL Group could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations, with losses resulting from the occurrence of any of these risks.

Volatility of Crude Oil and Natural Gas Prices

Continued volatility in world crude oil and natural gas prices may further significantly affect the COPL Group's ability to source financing for its operations and growth objectives including the plan to increase production from its Wyoming Assets, and if able to do so, such financing may be on unfavourable or highly dilutive terms.

The COPL Group's strategy is to explore for and/or appraise oil and gas properties which could then lead to eventual development. Crude oil and natural gas are commodities that are sensitive to numerous worldwide factors, many of which are beyond the COPL Group's control, and are generally sold at contract or posted prices. Consequently, such prices may affect the value of the COPL Group's oil and gas properties and the level of spending for oil and natural gas exploration and development.

ESG Focus Areas, Targets and Ambitions

With respect to ESG oversight, the Board has overall responsibility for ESG matters. Corporations across all industries are facing increasing scrutiny from stakeholders related to their ESG and sustainability practices. In an effort to comply with these standards, the Company has established the Health, Safety and Environment Committee, and may create other future ESG targets and ambitions. The achievement of future ESG targets will depend significantly on our ability to execute our current business strategy, which can be impacted by the numerous risks and uncertainties associated with our business and the industry in which we operate. There is a risk that some or all of the expected benefits of any future ESG initiatives may fail to materialize, or be perceived to have not materialized, which could adversely affect the Company's reputation and ability to attract capital and insurance coverage. Additionally, to the extent ESG matters negatively impact the Company's reputation, it may not be able to compete as effectively to recruit or retain employees, which may adversely affect its operations.

Economic Dependence

The COPL Group's ability to repay its debt in accordance with its terms is dependent on the revenue streams from the Wyoming Assets.

Oil Production at the Wyoming Assets is sold, at present, pursuant to a single short-term contract with a national oil marketing and transportation company, at market-based rates. The region surrounding the Wyoming Assets benefits from significant infrastructure, including multiple pipelines and service providers who are able to handle logistics for oil sales. The COPL Group has also entered into risk management contracts to manage exposure to commodity pricing risk with a single arm's length party by way of derivative contracts on butane and oil, until December 31, 2024. For more detail regarding Oil Production at the Wyoming Assets, refer to "*Description of the Business*". For more detail related to exposure to commodity pricing risk, refer below to "*Risk Factors – Marketability of Crude Oil and Natural Gas*".

The COPL Group's interest in Nigeria is dependent on the terms of the oil prospecting license OPL 226 offshore Nigeria. ShoreCan will hold a net 10% interest following the Essar Transaction which could subject ShoreCan to various risks as a minority shareholder in Essar Nigeria, should the Essar Transaction be completed.

Possible Failure to Realize Anticipated Benefits of Acquisitions

The Company closed the Atomic Acquisition on March 16, 2021 whereby it acquired the Atomic Assets located in the PRB in Wyoming, US. The Company closed the Cuda Asset Acquisition on July 26, 2022 whereby it acquired the Cuda LLC interests located in Wyoming, US.

COPL has entered into a share purchase agreement, pursuant to which it will hold, on completion, a 10% economic interest in OPL 226 subject to the terms of licence for OPL 226 through its 50% ownership in ShoreCan.

COPL may complete other acquisitions in the future with a view to strengthening its position in the oil and natural gas industry and to create the opportunity to realize certain benefits. Achieving the benefits of these acquisitions depends in part on factors outside of the COPL Group's control.

The consideration and rationale for acquisitions is based in large part on engineering, environmental and economic assessments made by the COPL Group, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which may be imposed. Many of these factors are subject to change and are beyond the control of the COPL Group. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Unforeseen Title Defects and Disputes

Although title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the COPL Group's title to certain assets or that environmental defects or deficiencies do not exist. If this type of defect were to occur, the Company's entitlement to the production and reserves and, if applicable, resources from the purchased assets could be jeopardized. Furthermore, from time to time, the Company may have disputes with industry partners as to ownership rights of certain properties or resources, including with respect to the validity of oil and gas leases held by the COPL Group or with respect to the calculation or deduction of royalties payable on the COPL Group's production. Such deficiencies or defects could result in a reduction of the value of an investment in the Company.

Disclosure Controls

Disclosure controls and procedures, and internal controls over financial reporting, may not prevent or detect misstatements and even those control determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Failure to adequately prevent, detect and correct misstatements could have a material adverse effect on our business, financial condition, results of operations, cash flows and reputation.

Foreign Operations

The COPL Group carries on its business in the United States and plans to carry on its business in other foreign countries, where exploration for and exploitation, production and sale of oil and gas are subject to extensive laws and regulations, including complex tax laws and environmental laws and regulations. As such, the COPL Group's business, prospects, financial condition or results of operations could be significantly affected by risks over which it has no control. These risks may relate to economic, social or political instability or change, government intervention relating to the oil and gas industry, expropriation, actions by terrorist or insurgent groups, war, civil unrest or activism, sanctions, chronic stresses (such as political or business disputes and other forms of conflict), security issues, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership or foreign investors, interpretation or renegotiation of existing contracts, government participation, taxation policies, including royalty and tax increases and retroactive tax claims, and investment restrictions, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties, government control over domestic oil and gas pricing, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to licences to operate and concession rights in countries where the COPL Group currently operates, and difficulties in enforcing the COPL Group's rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations. Problems may also arise due to the quality or failure of locally obtained equipment or technical support, which could result in failure to achieve expected target dates for exploration operations or result in a requirement for greater expenditure.

Permits, Licences, Approvals and Authorizations

The operations of the COPL Group require permits, licences, approvals and authorizations from various governmental and non-governmental authorities. Such permits, licences, approvals and authorizations are subject to the discretion of the applicable governmental and non-governmental authorities. The COPL Group must comply with existing standards, laws and regulations, as applicable that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. By way of example, the Nigerian Department of Petroleum Resources ("**DPR**") took the view that ShoreCan's previous acquisition of 80% of the issued share capital of Essar Nigeria, required ministerial consent in order to effectively transfer the interest in OPL 226 owned by Essar Nigeria. Application for consent had been filed and ShoreCan is awaiting the outcome, which the Directors believe consent will be forthcoming. There can be no assurance that the COPL Group will be able to obtain all necessary permits, licences, approvals or authorizations. Failure to obtain such licences, permits, approvals or authorizations may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The COPL Group's intended activities will be dependent on such permits, licences, approvals and authorizations which, if obtained, could subsequently be withdrawn or made subject to limitations. Failure to obtain Nigerian ministerial consent for the OPL 226 Transaction could result in ShoreCan being required to dispose of its shares in Essar Nigeria, although the Directors believe they might also have a range of other options to satisfy any ministerial concerns about OPL 226, such as bringing in another farm-in partner. There can be no guarantee as to the terms of any such permits, licences, approvals and authorizations that future permits, licences, approvals and authorizations will be renewed or, if so, on what terms when they come up for renewal. Properties in the jurisdiction in which the COPL Group currently carries on business are subject to licence requirements, which generally include, inter alia, certain financial commitments which, if not fulfilled, could result in the suspension or ultimate forfeiture of the relevant licences. Government action, which could include non-renewal of licences, (or cancellation of certain Wyoming licenses due to failure to meet minimum work requirements because of working capital shortfalls), may result in any income receivable by the COPL Group or licences held by the COPL Group being adversely affected. In particular, changes in the application or interpretation of laws and/or taxation provisions in the regions in which it carries on business could adversely affect the value of the COPL Group's interests.

Expiration of License and Leases

The COPL Group's properties are held in the form of licences and leases and working interests in licences and leases. If the Company or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire.

Certain of the Company's fee leases have options for extension. These generally provide for an additional two to three years of lease term in exchange for a payment equal to the original bonus paid for the lease, subject to commercial negotiation.

The BLM and Wyoming State leases do not contain such options and expire at the end of their primary term when lacking production in paying quantities from a portion of the lease. The BLM and Wyoming State will not negotiate extensions as they are required to offer leases at competitive sales. It may be possible to "extend" BLM leases by submitting drilling permits 60 to 90 days before the lease is set to expire and requesting that the BLM suspend the lease until said permit is approved. This would allow the Company to drill and produce the lease, thus maintaining it beyond its expiration.

COPLA is in active dialogue with the BLM regarding a possible extension for these leases and will pursue available options to extend. Currently, the acreage to be relinquished does not contain any reserves. There is no guarantee that an extension may be granted and approximately 2,700 net acres of leases at the BFDU Unit expired on March 15, 2023, due to failing to drill any wells in the BFDU since March 14, 2022. Delays in the availability for delivery of casing (steel) and Company funding are the primary factors for the delay and possible relinquishment of these lands.

There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the COPL Group's licences or leases or the working interests relating to a licence or lease and the associated abandonment and reclamation obligations may have a material adverse effect on the COPL Group's business, financial condition, results of operations and prospects.

Changes in government policy could have a negative impact on the COPL Group's business

Governments of oil and gas producing jurisdictions typically exercise significant influence over their domestic oil and gas industries, as well as many other aspects of their respective economies. Government policy may change to discourage foreign investment or restrictions and requirements not currently foreseen may be implemented. There can be no assurance that the COPL Group's assets and properties will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, the COPL Group's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property or environmental legislation. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts or oil and gas exploration policy, laws or practice), could have a material adverse effect on the COPL Group. Sovereign or regional governments could also require the COPL Group to grant to them larger shares of oil and gas or revenues than previously agreed to, or postpone or review projects, nationalize assets, or make changes to laws, rules, regulations or policies, in each case, which could adversely affect the COPL Group's business, prospects, financial condition or results of operations.

"Resources" vs. "Reserves"

Throughout this AIF, the COPL Group has attempted to provide an appreciation of the potential that the COPL Group's asset base offers. In doing so, the COPL Group often uses the terms "resource" or "resources". These terms refer to the estimated original resource size of a particular prospect. The distinction between contingent and prospective resources relates to the discovery status of the accumulation while the distinction between contingent resources and reserves relates to chance of commerciality of the accumulation. Commerciality is not solely determined based on the economic status of a project which refers to the situation where the income from an operation exceeds the expenses involved in, or attributable to, that operation. Conditions addressed in the determination of commerciality also include technological, economic, legal, environmental, social, and governmental factors. While economic factors are generally related to costs and product prices, the underlying influences include, transportation and processing infrastructure, fiscal terms and taxes.

The terms "resource" or "resources" should be distinguished from reserves. Reserves are the amount of hydrocarbons that are estimated to be economically recoverable from a particular resource base from a given date forward. Ultimate recoverable reserves can range widely depending on resource characteristics, available technologies and economic and contractual parameters. The COPL Group distinguishes between proved (1P) reserves and proved plus probable (2P) reserves. As at the date of this AIF, the COPL Group's only reserves are part of the Wyoming Assets.

Reserves Estimates

There are numerous uncertainties inherent in estimating reserves and the future net revenues attributed to such reserves. The reserves and associated net revenue information set forth in Appendix A of this AIF are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net revenues from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- actual realized price of oil and gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. Actual production, revenues, taxes and development and operating expenditures with respect to the COPL Group's reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material. Some of the COPL Group's producing wells have a limited production history and thus there is less historical production on which to base the reserves estimates. In addition, a significant portion of the COPL Group's reserves may be attributable to a limited number of wells and, therefore, a variation in production results or reservoir characteristics in respect of such wells may have a significant impact upon the COPL Group's reserves.

In respect of the COPL Group's Wyoming Assets, RS has used forecast prices and costs in estimating the reserves and future net revenues as disclosed under Appendix A of this AIF. Actual future net revenues will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

The reserve estimates in the 2002 RS Report are based on escalating price parameters. As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. Recoverable reserves and the income attributable thereto have a direct relationship with hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented therein.

Actual production and net revenues derived from the COPL Group's oil and natural gas reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities the COPL Group intends to undertake in future years. The reserves and estimated net revenues to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation set forth in Appendix A is effective as of December 31, 2022 and, except as may be specifically stated herein, has not been updated and therefore does not reflect changes in our reserves since that date.

Status and Stage of Development

There is a risk that none of the proposed exploration, appraisal or development of the COPL Group's assets will be completed on time or within the applicable capital cost estimates or at all. Additionally, there is a risk that proposed projects may experience delays, interruption of operations or increased costs due to many factors, including, without limitation:

- breakdown or failure of equipment or processes;
- construction performance falling below expected levels of disruptions or declines in productivity;
- design errors;
- contractor or operator errors;
- non-performance by third party contractors;
- labour disputes;
- disruptions or declines in productivity;
- increases in materials or labour costs;
- inability to attract sufficient numbers of qualified workers;
- delays in obtaining, or conditions imposed by, regulatory approvals;
- changes in project scope;

- violation of permit requirements;
- disruption in the supply of energy and other inputs, including natural gas and diluents;
- catastrophic events such as fires, earthquakes, storms or explosions;
- numerous factors, many of which are beyond the COPL Group's control, could impact the COPL Group's ability to explore and develop these assets and the timing thereof, including the risk factors set forth elsewhere in this AIF; and
- the COPL Group currently has no production in Nigeria; there can be no assurance that any of the COPL Group's properties in Nigeria will commence production, generate earnings, operate profitably or provide a return on investment in the future.

Increase in Drilling Costs and the Availability of Drilling Equipment

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration and development would affect the COPL Group's ability to invest directly or indirectly in prospects and to purchase or hire equipment, supplies and services. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling operations outside or in the COPL Group's intended area of operations may reduce the availability of equipment and services to the COPL Group and to the companies with which it operates. The reduced availability of equipment and services may delay the COPL Group's ability, directly or indirectly, to exploit reserves and adversely affect the COPL Group's operations and profitability.

Reliance on Key Individuals

Although the COPL Group has experienced senior management and personnel, the COPL Group is substantially dependent upon the services of a few key personnel. The loss of services of these individuals could have a material adverse effect on the business of the COPL Group. Competition for qualified personnel in the oil and gas industry markets is intense, and the COPL Group may be unable to attract or retain highly qualified individuals, or its key personnel, in the future. The rate of growth of the COPL Group's operations and personnel may strain operating and control systems.

Marketability of Crude Oil and Natural Gas

The marketability and price of oil and natural gas will be affected by numerous factors beyond the control of the COPL Group. The COPL Group will be affected by the differential between the price paid by refiners for light quality oil and the medium grades of oil which may be produced by the COPL Group. The ability of the COPL Group to market its oil and natural gas may depend upon its ability to acquire access to production facilities and space on pipelines. The COPL Group will also be subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its reserves to pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Following the Atomic Acquisition, the Company entered into risk management contracts effective until December 31, 2024 to manage the Atomic Group's exposure to commodity pricing risk on a majority of its production.

Availability of Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling equipment in the particular areas where such activities will be conducted as well as production equipment, such as pipe for pipelines, manifolds, valves, compressors and other equipment, which may be unavailable or subject to long lead times between order and delivery. Similarly, installation of production equipment and operation of drilling rigs onshore and offshore is highly dependent on a wide range of service providers, many of which are in limited supply. Demand for such limited equipment, access restrictions and availability of service providers may delay exploration, development and production activities.

Nature of Reserves and Additional Funding Requirements

Obtaining future production from proven undeveloped, probable and possible reserves, and the development of properties where oil is discovered, are each conditional on the availability of additional financing to fund the specific capital expenditures necessary to develop the reserves or develop the properties. Although the timing of these expenditure requirements is completely discretionary, such additional financing may not be available when needed and, if available, may not be available on favourable terms. The ability of the COPL Group to arrange such financing in the future will depend in part upon the prevailing capital market conditions. There can be no assurance that the COPL Group will be successful in its efforts to arrange additional financing. If adequate funds are not available, the COPL Group may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Project Risks

The COPL Group may manage in the future a variety of prospective small and/or large projects in the conduct of its business. Project delays may setback the expected revenues from operations and significant project cost over-runs could make a project uneconomic. The COPL Group's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the COPL Group's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of, and demand for, oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

As a result of these factors, the COPL Group could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

The COPL Group May Experience Delays in Production, Marketing and Transportation

Various production, marketing and transportation conditions may cause delays in gas, NGLs and oil production and adversely affect the COPL Group's business. For example, the Wyoming Assets' gas transportation systems connect to other pipelines or facilities which are owned and operated by third parties. These pipelines and other midstream facilities upon which the COPL Group relies for the supply of gas or NGLs and sale of oil production, may become unavailable because of testing, turnarounds, line repair, reduced operating pressure, lack of operating capacity, regulatory requirements, curtailments of receipt or deliveries due to insufficient capacity or because of damage. The lack of availability of capacity on third-party systems and facilities could reduce the price offered for the COPL Group's production or result in the shut-in of producing wells. Any significant changes affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities, could delay the COPL Group's production, which could negatively impact the COPL Group's business, results of operations, financial condition or prospects.

Operating Hazards and Other Uncertainties

The Wyoming Assets production operations are subject to numerous risks common to its industry, including, but not limited to, premature decline of reservoirs, incorrect production estimates, invasion of water into producing formations, geological uncertainties such as unusual or unexpected rock formations and abnormal geological pressures, low permeability of reservoirs, contamination of gas and oil, blowouts, oil and other chemical spills, explosions, fires, equipment damage or failure, natural disasters, uncontrollable flows of oil, gas or well fluids, adverse weather conditions, shortages of skilled labour, delays in obtaining regulatory approvals or consents as well as pollution and other environmental risks. If any of the above events occur, environmental damage, including biodiversity loss or habitat destruction, injury to persons or property and other species and organisms, loss of life, failure to produce gas, NGLs and oil in commercial quantities or an inability to fully produce discovered reserves could occur. These events could also cause substantial damage to the COPL Group's property and its reputation and put at risk some or all its interests in licences, which enable the COPL Group to produce, and could result in the incurrence of fines or penalties, criminal sanctions potentially being enforced against the COPL Group and its management, as well as other governmental and third-party claims. Consequent production delays and declines from normal field operating conditions and other adverse actions taken by third parties may result in revenue and cash flow levels being adversely affected. Moreover, should any of these risks materialize, the COPL Group could incur legal defence costs, remedial costs and substantial losses, including those due to injury or loss of life, human health risks, severe damage to or destruction of property, natural resources and equipment, environmental damage, unplanned production outages, clean-up responsibilities, regulatory investigations and penalties, increased public interest in the COPL Group's operational performance and suspension of operations.

The COPL Group maintains insurance in accordance with customary industry practice, though the COPL Group cannot fully insure against all of these risks. The Company may become liable for damages arising from events against which it cannot insure, or against which it may elect not to insure because of high premium costs, or other reasons. The COPL Group intends to maintain an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blow-outs and destruction to the environment. Losses resulting from the occurrence of these risks could have a material adverse impact on the COPL Group's business, prospects, financial condition and/or results of operations and the proceeds from the aforementioned insurance policies may not be sufficient to cover these losses.

Third Party Credit Risk

The COPL Group may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the COPL Group, such failures may have a material adverse effect on the COPL Group's business, financial condition, results of operations and prospects. In addition, poor conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the COPL Group's ongoing capital program, potentially delaying the program and the results of such program until the COPL Group finds a suitable alternative partner.

The COPL Group Cannot Accurately Predict its Future Decommissioning Liabilities

The COPL Group, through its lease and license interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields, pipelines and related infrastructure. Decommissioning as referred to in this risk factor includes plugging and closing wells, removing surface infrastructure, remediating any contamination and restoring the land for future use. These obligations are derived from legislation and regulatory requirements concerning the decommissioning of wells, pipelines and production facilities and require the COPL Group to make provisions for, assume and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the COPL Group will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the COPL Group will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the COPL Group will remain liable and its decommissioning obligations could be increased significantly through such default. Any such increase in the actual or estimated decommissioning costs that the COPL Group incurs may adversely affect its financial condition. Furthermore, as the infrastructure at the Wyoming Assets is relatively new with short or medium term limited decommissioning risk, the COPL Group is cannot guarantee to what extent, if any, it can contribute towards the decommissioning risk as it progresses the drilling of new wells as anticipated from 2023 onwards.

Competition

The oil and gas industry is highly competitive, particularly as it pertains to the search for and development of, new sources of crude oil and natural gas reserves, the construction and operation of crude oil and natural gas pipelines and facilities, and the transportation and marketing of crude oil, natural gas, sulphur and other petroleum products. Competitors include major integrated oil and gas companies and numerous other independent oil and gas companies, many of which have greater technical, financial and other resources than the COPL Group. The oil and natural gas industry is intensely competitive and the COPL Group must compete in all aspects of its operations with a substantial number of other companies that may have greater technical or financial resources.

The COPL Group competes for the acquisition, exploration, production and development of oil and natural gas properties, for capital to finance such activities and for skilled industry personnel and the COPL Group's competitors include companies that have greater financial and personnel resources available to them. The COPL Group's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The COPL Group's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators, and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. Hiring and retaining technical and administrative personnel continues to be a competitive process. To meet this challenge, the COPL Group provides opportunities for existing and prospective consultants and employees to participate in the equity of the COPL Group. The COPL Group believes its competitive advantage is its scientific, integrated approach to successfully identify desirable drilling prospects.

Joint Property Ownership

It is common for more than one company to have an equity stake in a license or a project, as is the case with the COPL Group's interest in the Wyoming Assets and OPL 226.

The Wyoming Assets consist of operating working interests in approximately 42,415.55 gross acres of contiguous leasehold in Wyoming, US as at December 31, 2022. The leasehold is a combination of the following: (i) fee simple freehold leases; (ii) State of Wyoming Leases; and (iii) Federal Leases. Within the leasehold there are three Units: two exploration Units being the BFDU (85.52% working interest); and the CCU (96.05% working interest); as well as one secondary recovery Unit being the BFSU (85.68% working interest). The purpose of the formation of these Units is to align the various lessors' interests through the terms of their respective leases with those of the lessees whose working interest is defined through the Unit.

Relationships between the lessees are governed by a UOA that is an underlying contractual framework for the operation of the Unit in the oil and natural gas industry. There are UOAs for each of the three Unit areas. In two of the UOAs (BFDU and BFSU) there is one main partner, being CNOOC. In the Cole Creek UOA, nearly all interests are held by members of the COPLA Group. In all three UOAs the participating parties have appointed SWP as the operator of the Unit and as such SWP is also a party to the UOA. The Atomic Group's respective acreage interests in each Unit area as at December 31, 2022 are as follows:

Atomic Group Wyoming Leases	CCU (96.05% working interest)	BFDU (85.52% working interest) and BFSU (85.68% working interest)	Acreage outside unitized lands (average working interest 85.82%)	Total Acreage
Gross acres	6,000.00	24,458.04	11,957.51	42,415.55
Net acres	5,763.08	20,955.77	10,470.43	37,189.28

The operator is responsible for the day-to-day management and operation of the field. The main duty of the operator is to carefully plan the activities in order to increase the profitability of the operations, however, it is not usually liable for any loss of production or revenues as a result of its decisions except in cases of gross negligence and/or wilful misconduct.

As the name suggests, parties other than the operator are designated as "non-operators". The most important duty of a non-operator is to vote on proposed operations and to answer any cash-calls approved operations require. Non-operators form part of the Unit operating committee ("**UOC**") which oversees the activities of the operator. The voting rights of operators and non-operators in the UOC are as per the interest they hold in the UOA.

There are a number of model UOA's like that of the American Association of Petroleum Landmen 610 (AAPL), Association of International Petroleum Negotiators 2002 (AIPN), Canadian Association of Petroleum Landmen 2007 (CAPL), and Oil and Gas UK Standard JOA 2007 (OGUK) which specifies and details different features of the UOA. A typical UOA will include the following:

- duration of the agreement;
- parties to the agreement;
- parties' participating interests;
- scope of work;

- exclusive operations;
- designated operator;
- the UOC;
- cost control and contracting;
- hydrocarbon allocation;
- hydrocarbon lifting and disposal;
- transfer of interests;
- withdrawal from UOA;
- liabilities;
- decommissioning;
- default;
- dispute resolution; and
- accounting procedure.

The various UOAs related to the Wyoming Assets are consistent with these headings.

With respect to OPL 226, the COPL Group through its joint venture company owns shares in the licence holder and has entered into the Essar Nigeria Shareholders Agreement to set out the rights, duties and understandings of the COPL Group and its partners and to govern the expectations as to how the project will be carried out.

The Essar Nigeria Shareholders Agreement provides that if the other party commits a material breach of the agreement, the innocent party is entitled to terminate the shareholders agreement. In the event that the agreement is properly terminated, the innocent party has the further right to require the defaulting party to sell its shares to the innocent party at either the price offered by the innocent party or at another price with reference to the fair market price of the shares as determined by an internationally recognized investment bank.

In certain situations, these co-owners may have objectives and interests that do not coincide with and may conflict with the COPL Group's interests. Also, failure to satisfactorily meet demands or expectations by any or all of the parties may affect the COPL Group's participation in the operation of such assets or in the development of such projects, the COPL Group's ability to obtain or maintain necessary licences or approvals, or the timing for undertaking various activities. In addition, disputes may arise pertaining to the timing, scope, funding and/or capital commitments with respect to projects that are being jointly developed. The occurrence of any of the foregoing could have a material adverse effect on the COPL Group's business, financial condition, reserves and results of operations.

Global Financial Instability

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many Organizations for Economic Co-operation and Development (OECD) countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of the Company will be uncertain and may be adversely impacted by unfavourable general global, regional, and national macroeconomic conditions.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The COPL Group cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations.

Interest Rate Cash-Flow Risk

The COPLA Group is exposed to floating rate debt in the current Senior Credit Facility. The floating rate debt obligations expose the COPL Group to changes in interest payments due to fluctuations in interest rates, most notably LIBOR. The COPLA Group is subject to an interest rate of LIBOR plus 10.5%. Floating rate debt may also be used to finance development activities, if it is available in the future, which would expose the COPL Group to changes in interest payments due to fluctuations in interest rates. The COPL Group may also be exposed to higher interest rates when debt instruments are maturing and require refinancing, or when new debt capital needs to be raised. Further the COPL Group will be exposed to changes in interest rates if derivative instruments are used to manage the debt portfolio. Unfavourable changes in interest rates could have a material adverse effect on the COPL Group's business, financial condition and results of operations. Market interest rates are impacted by actions taken by central banks to stabilize the economy and moderation inflation. Interest rates have increased in response to inflation and additional rate increased may be implemented.

Debt Covenants of the Company may be Exceeded With no Ability to Negotiate Covenant Relief

The Company has not met its leverage ratio covenant requirement of 3.0:1.0 as at March 31, 2022, 2.75:1.0 as at June 30, 2022 and 2.50:1.0 as at September 30, 2022 and may not in each fiscal quarter ending thereafter pursuant to the Senior Credit Facility due to volatility in the price of crude oil, the impact of the Company's risk management contracts and lower than anticipated production volumes from its Wyoming Assets. Production declines or continued volatility in crude oil and natural gas prices may result in a significant reduction in earnings or operating cash flow, which could lead to the COPL Group's increased indebtedness in order to carry out its operations and fulfil its obligations. If the COPL Group does not comply with the applicable covenants under its existing credit facilities and debt securities, there is a risk that the COPL Group may not be able to negotiate covenant relief with its lenders, repayment could be accelerated and/or the COPL Group's access to capital could be restricted or only be available on unfavourable terms, which may have a material adverse effect on the COPL Group's operations and financial condition.

The COPL Group would have been in default of its requirement to meet the quarterly leverage and liquidity ratio requirements of the Senior Credit Facility as at December 31, 2022, but this default was pre-emptively waived by the Lender on a one-time basis. There can be no guarantee that any further defaults under the Senior Credit Facility will be waived. Given that the Company may not have sufficient working capital, that is, for at least the next 12 months from the date of this AIF, there is a risk that the Company may be in default of its requirement to meet the quarterly leverage and liquidity ratio requirements of the Senior Credit Facility going forward.

The COPL Group May Carry on Business in Other Foreign Countries with Inherent Risks Relating to Fraud, Bribery and Corruption

Fraud, bribery and corruption are more common in some jurisdictions than in others. The COPL Group may carry on its business in certain jurisdictions that have been allocated low scores on Transparency International's "Corruption Perceptions Index". Doing business in international developing markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. In addition, the oil and gas industries have historically been shown to be vulnerable to corrupt or unethical practices.

The COPL Group uses its best efforts to prevent the occurrence of fraud, bribery and corruption, but it may not be possible for the COPL Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The COPL Group may therefore be subject to civil and criminal penalties and to reputational damage. Participation in corrupt practices, including the bribery of foreign public officials, by the COPL Group, its subsidiaries or other predecessors in interest, whether directly or indirectly (through agents or other representatives or otherwise) may also have serious adverse consequences on the rights and interests of the COPL Group, including but not limited to title to government contracts, licenses and concessions, including PSCs.

Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the COPL Group operates, could have a material adverse effect on its business, prospects, financial condition or results of operations. In addition, as a result of the COPL Group's anti-corruption training programs, codes of conduct and other safeguards, there is a risk that the COPL Group could be at a commercial disadvantage and may fail to secure contracts within jurisdictions that have been allocated a low score on the Corruption Perceptions Index to the benefit of other companies who may not have or comply with such anti-corruption safeguards.

Geo-Political Change

The marketability and price of oil and natural gas that may be acquired or discovered by the COPL Group is, and will continue to be, affected by political events throughout the world that cause disruptions in the supply of oil. Changes to political policy in the United States, conflicts, or conversely peaceful developments, arising in the Middle East, and other areas of the world, may have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the COPL Group's net production revenue.

In addition, the COPL Group's oil and natural gas properties, future wells and facilities could be subject to a terrorist attack. If any of the COPL Group's properties, wells or facilities are the subject of a terrorist attack it may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The COPL Group will not have insurance to protect against the risk of terrorism.

Russia/Ukrainian Conflict

In February 2022, Russian military forces invaded Ukraine. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("**NATO**") has also mobilized forces to NATO countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. In addition, certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy. As part of the sanctions package, the German government paused the certification process for the 1,200 km Nord Stream 2 natural gas pipeline that was built to carry natural gas from Russia to Germany. Russia is a major exporter of oil and natural gas. Disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and have a significant impact on worldwide prices of oil and natural gas. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.

Potential Undisclosed Liabilities Associated with the Atomic Acquisition

In connection with the Atomic Acquisition and the Cuda Asset Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence conducted prior to the execution of the Atomic Acquisition agreement and the Cuda Asset Acquisition asset purchase and sale agreement. While the agreements included customary representations and warranties appropriate for a transaction of this nature, the Company may not be indemnified for some or all of these liabilities.

ShoreCan Joint Venture Risks

The Company has entered into a joint venture arrangement with Shoreline to form ShoreCan. Pursuant to the terms of that arrangement, the Company may have a lesser degree of control over the joint venture that may expose the Company to additional operational, financial, compliance and legal risks.

Generally:

- the Company (or relevant person) may be dependent on the joint venture counterparty for capital, product distribution, local market knowledge, or other resources;
- the Company's (or relevant persons) ability to exercise management control or influence over the joint venture and the success of its investments in it will depend on the cooperation between the joint venture participants and the terms of the joint venture agreement, which allocates control among the joint venture participants;
- if the Company (or relevant person) is unable to effectively manage the joint venture; and/or
- the joint venture counterparty fails to meet its obligations under the joint venture arrangement, encounters financial difficulty, elect to alter, modify or terminate the relationship, or a joint venture does not comply with local legislation or regulations,

such that the Company (or relevant person) may be unable to achieve its objectives and its results of operations may be negatively impacted.

Pandemic Risk

Pandemics, endemics or outbreaks may increase our exposure to and the magnitude of each of the risks under "*Risk Factors*". Pandemics and the corresponding measures we take to protect the health and safety of our staff and the continuity of our business may result in new legal challenges and disputes, including but not limited to, litigation involving contract parties or employees and other claims.

Cyber Attacks or Terrorism

The Company may be threatened by problems such as cyber-attacks, computer viruses, or terrorism that may disrupt operations and harm operating results. Additionally, use of personal devices by employees, vendors or other third parties can create further avenues for potential cyber-related incidents, as the Company has limited control over the use and safety of these devices. Information technology and cyber risks have increased since the COVID-19 pandemic, with cybercriminals taking advantage of remote working environments to increase malicious activities, creating more threats for cyberattacks, including phishing emails, malware embedded mobile apps, and targeting of vulnerabilities in remote access platforms. Furthermore, the adoption of emerging technologies, such as cloud computing, artificial intelligence and robotics, call for continued focus and investment to manage risks effectively.

While the Company expects that the probability of a targeted attack is low, security measures have been implemented to protect the Company's information technology systems and network infrastructure. Despite the implementation of security measures, technology systems may be vulnerable to disability or failures due to hacking, viruses, acts of war or terrorism, and other causes. Additionally, the Company is reliant on third party services providers for certain information technology applications. While the Company believes that these third-party service providers have adequate security measures, there can be no assurance that these security measures will prevent any cyber events or computer viruses from impacting the Company. Any such incident, breach, or disruption of third-party service providers' system or services could result in loss or the exposure of internal, confidential, financial, proprietary, personal or other sensitive information. If the Company is unable to recover from such cyber events in a timely way, the Company might be unable to fulfil critical business functions, which could result in financial losses, remediation and recovery costs, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operational disruption, site shut-down, leaks or other negative consequences, including damage to our reputation, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Company may be required by regulators or by the future terrorist threat environment to make investments in security that cannot be predicted. The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect the COPL Group's business and results of operations.

Governmental Regulation

The industry in which the COPL Group operates is subject to regulation, intervention and certain approvals by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for natural gas and crude oil, increase costs and may have a material adverse effect on the COPL Group.

Environmental Regulations

Oil and gas operations in which the COPL Group is or may in the future be involved with, are subject to stringent environmental laws and regulations. These laws and regulations generally require the COPL Group to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling production facilities, and decommissioning and remediating damage caused by the disposal or release of specified substances. The COPL Group intends to operate in a manner intended to ensure that its projects meet appropriate environmental standards. There can be no assurance that application of existing environmental laws and regulations will not have a material adverse effect on future financial conditions or results of operations.

It is expected that other changes in environmental legislation may also require, among other things, reductions in emissions to the air from operations and could result in increased capital expenditures. Although the COPL Group does not expect that future changes in environmental legislation will result in materially increased costs, such changes could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the COPL Group's financial condition or results of operations.

Climate Change

Public support for climate change action and receptivity to alternative or renewable energy technologies has grown in recent years. Governments in Canada, United States and around the world have responded to these shifting societal attitudes by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, clean energy and fuel standards, and alternative energy incentives and mandates.

At the international level, the United Nations-sponsored Paris Agreement requires nations to submit non-binding, individually-determined emissions reduction targets every five years after 2020. In April 2021, the United States established a goal of reducing economy-wide net greenhouse gas ("**GHG**") emissions 50% to 52% below 2005 levels by 2030. Additionally, at COP26 in Glasgow in November 2021, the United States and the European Union jointly announced the launch of a Global Methane Pledge, which is an initiative committing to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030, including "all feasible reductions" in the energy sector.

On November 8, 2022, the United States Environmental Protection Agency published a proposal to secure major climate and health benefits for all Americans by reducing emissions of methane and other harmful air pollution from both new and existing sources in the oil and natural gas industry. The proposal expands and strengthens emissions reduction requirements for new modified and reconstructed oil and natural gas sources and would require states to reduce methane emissions from existing sources nationwide for the first time and require additional reporting, inspection, and monitoring protocols for methane detection. The United States Environmental Protection Agency intends to issue a final rule in 2023. In August 2022, the Inflation Reduction Act came into force in the United States, imposing a fee on the emissions of methane from certain sources in the oil and natural gas sector. Beginning in 2024, the methane emissions charge will begin at $900 per metric tonne of leaked methane, rising to $1,200 in 2025, and $1,500 in 2026 thereafter.

Many countries are developing country-wide approaches to implementing the Paris Agreement. More stringent legislation or regulations in the United States and Canada, relative to other jurisdictions, including requirements to significantly reduce GHG emissions, water consumption, or setback requirements for facilities and wells, could result in increased costs and competitive disadvantages. Failure to comply with such regulations and laws could result in significant penalties being imposed. The Company is unable to predict the impact of the Paris Agreement and other related regulations on its operations. It is possible that mandatory emissions reduction requirements may have a material adverse effect on the Company's financial condition, results of operations and cash flow.

The COPL Group's proposed exploration activities and production activities will emit greenhouse gases and require the COPL Group to comply with GHG emissions legislation and policy. The direct or indirect costs of these regulations may have a material adverse effect on the COPL Group's business, prospects, financial condition or results of operations. The future implementation or modification of GHG regulations, whether to meet the limits required by the Paris Agreement, Kyoto Protocol, the Copenhagen Accord, the proposed Canadian regulations or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including those of the COPL Group. Given the evolving nature of the debate related to climate change and the control of GHG and resulting requirements, it is not possible to predict the impact on the COPL Group and its operations and financial condition.

Foreign Currency Exchange Risk

A significant amount of the COPL Group's proposed activities are or will be transacted in or referenced to various currencies including US dollars, Canadian dollars and Pounds Sterling. As a result, fluctuations in currencies could result in unanticipated fluctuations in financial results, which are denominated in US dollars. The COPL Group will manage a portion of its exposure to fluctuations in exchange rates, however, there can be no assurance that such management will fully offset the fluctuations.

Country Specific Political Risk – United States

In the United States, the primary way that politics can affect oil and gas development is in the regulatory sense. Typically, an oil and gas company is covered and protected by a range of regulations that limit where, when and how hydrocarbon extraction is performed. This interpretation of laws and regulations can also differ from state to state.

That said, political risk generally occurs when oil and gas companies are faced with changing narratives of differing political parties with respect to oil field operations or climate change opinions.

For example, COPL updated its Shareholders, investors and the market on January 28, 2021 with respect to the Company's view of the new presidential executive order (the "**Executive Order**") pertaining to the US federal oil and gas leases as it relates to COPL's acquisition of the Atomic Group. The statement by the President of the United States on signing the Executive Order stated the following:

- no new US federal oil and gas leases will be issued offshore, or onshore through the BLM an arm of the US Department of the Interior;
- there will be a review of existing leases and permitting for oil and gas operations conducted on federal lands and applications for permitting on federal leases may face extended delays;
- there will be no ban on hydraulic fracking;
- legacy suspended wells on federal leasehold are to be abandoned to reduce methane emissions; and
- operations on federal lands shall be conducted with regards to the nation's climate objectives.

The Company believes the Executive Order will have a largely positive effect, and limited negative effects on the Atomic Acquisition for the reasons referred to elsewhere in this AIF.

The COPL Group has secured drilling permits required to continue to conduct the majority of its operations on the critical federal leasehold. If in the future operations are restricted from the surface of federal leasehold, operations can also be conducted from adjoining fee simple or state leasehold directionally if there were to be a hindrance of such operations outside of the newly stated policy on federal leasehold. The Wyoming Assets have new infrastructure and direct access to pipeline with no legacy abandonment or reclamation liabilities. The BFSU facilities are state-of-the-art, environmentally responsible facilities, minimal methane emissions, with required electricity sourced from an adjacent wind farm.

Tax Regimes in the Jurisdiction in which the COPL Group Operates are subject to Differing Interpretations and are subject to Change

Tax regimes in the jurisdictions in which the COPL Group operates can be subject to differing interpretations and are often subject to legislative change and changes in administrative interpretation in those jurisdictions. The interpretation by the Company's relevant subsidiaries of relevant tax law as applied to their transactions and activities (including farm-ins and farm-outs) may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities and any profits of the Company's subsidiaries from activities in those jurisdictions may be assessed for additional tax or additional transactional taxes (such as a stamp duty or VAT), which, in each case, could result in significant additional taxes, penalties and interest, any of which could have a material adverse impact on the COPL Group's business, prospects, financial condition or results of operations.

Market Access Constraints and Transportation

Any production resulting from the COPL Group's projects will need to be transported to market. Disruptions in, or restricted availability of pipelines, terminals, marine, rail and trucks systems could adversely affect crude oil and natural gas sales from the markets in which the Company operates, projected production growth, upstream or refining operations and cash flows.

These interruptions and restrictions may be caused by, among other things, the inability of the pipeline or marine, rail or truck networks to operate, or may be related to capacity constraints if supply into the system exceeds the infrastructure capacity. Interruptions or restrictions in the availability of adequate transportation systems, or the interruption of existing transportation systems, may limit the ability to deliver production volumes and could adversely impact commodity prices, sales volumes and/or the prices received for any products we may produce.

Litigation Risk

There is a risk that the Company or entities in which it has an interest may be subject to litigation, and claims under such litigation may be material. Various types of claims may be raised in these proceedings, including, but not limited to, environmental damage, climate change and the impacts thereof, breach of contract, product liability, antitrust, bribery and other forms of corruption, tax, patent infringement, disclosure, employment matters and in relation to an attack, breach or unauthorized access to the Company's information technology and infrastructure. Litigation is subject to uncertainty and it is possible that there could be material adverse developments in pending or future cases.

Unfavourable outcomes or settlements of litigation could encourage the commencement of additional litigation. The Company may also be subject to adverse publicity and reputational impacts associated with such matters, regardless of whether the Company is ultimately found liable. There is a risk that the outcome of such litigation may be materially adverse to the Company and/or the Company may be required to incur significant expenses or devote significant resources in defence against such litigation, the success of which cannot be guaranteed.

Liquidity of the Common Shares and Realization of Investment in Common Shares

Investors and potential investors should be aware that the value of the Common Shares can go down as well as up, and that there may not be a liquid market in the Common Shares.

An investment in the Common Shares may thus be difficult to realize. The ability of an investor to sell Common Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realize on their investment in the Company and they may lose all their investment. In the event of a winding-up of the Company, the Common Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet prior entitlements of creditors.

Dividends

The Company has never declared or paid any cash dividends on its Common Shares. The Company currently intends to retain future earnings, if any, for future operations, expansion and/or debt repayment, if necessary. The Directors do not anticipate paying dividends in the near future. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may consider relevant.

In addition to the foregoing, the Company's ability to institute and pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the COPL Group may incur in the future including the terms of any credit facilities the COPL Group may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends (excluding stock dividends) to any of its shareholders or returning any capital (including by way of dividend) to any of its shareholders.

As a result of the foregoing factors, purchasers of Common Shares may not receive any return on an investment in Common Shares held or purchased by them unless they sell such Common Shares for a price greater than that which they paid for it.

Common Share Price Volatility

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the COPL Group's control, including the following: (i) actual or anticipated changes in oil and natural gas prices, including as a result of the war between Russia and Ukraine; (ii) actual or anticipated fluctuations in the Company's quarterly results of operations; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (v) addition or departure of the COPL Group's executive officers and other key personnel; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the COPL Group or its competitors; (viii) the invasion of Russian military forces in the Ukraine and the sanctions imposed by certain countries in relation thereto; and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the COPL Group's industry or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. Any changes in market-based factors or investor strategies, including environmental, social and governance criteria, or responsible investing criteria/rankings, the implementation of new financial market regulations and fossil fuel divestment initiatives undertaken by governments, pension funds and/or other institutional investors, may adversely affect the trading price of the Common Shares, and/or their inclusion in the portfolios of investment managers. In addition, should the trading price of the Common Shares fall below stock exchange listing thresholds, the exchanges will review the appropriateness of the Common Shares for continued listing on such exchanges. There can be no assurance that continuing fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the COPL Group's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Dilution and Further Sales

The exercise of the Options or Warrants or the conversion or settlement of the Bonds into Common Shares will have a dilutive effect on existing Shareholders' percentage ownership of the Company and may result in a dilution of the Shareholders' interest if the price per Common Share exceeds the subscription/conversion price payable at the relevant time. The Conversion Payment due to Bondholders who have converted the principal Bond may result in further dilution should Bondholders elect for their Conversion Payment to be settled in Common Shares as such share settlement would be determined based on the five-day lowest market price on LSE following receipt of a share settlement notice from a Bondholder.

The COPL Group may enter into further financing or other transactions involving the issuance of securities of the COPL Group, in the future, which may be dilutive.

There are no restrictions on the Company issuing or selling Common Shares (or Preferred Shares) other than those pursuant to applicable securities laws and stock exchange policies. The sale of a substantial number of the Common Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares and negatively impact the Company's ability to raise equity capital in the future.

Country Specific Political Risk – Nigeria

After independence in 1960, Nigerian politics was marked by coups and mostly military rule, until the death of a military head of state in 1998 allowed for a political transition. In 1999, a new constitution was adopted and a transition to civilian government was completed. The government continues to face the task of institutionalizing democracy and reforming a petroleum-based economy.

Nigeria continues to experience longstanding ethnic and religious tensions and although both the 2003 and 2007 presidential elections were marred by significant irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. However, Nigeria remains a difficult market for the foreseeable future primarily as a result of bureaucracy, corruption and difficulty accessing power. Security challenges are present, and may continue as an additional inhibition with Boko Haram insurgency in the North and instability in the Niger Delta region in the South.

Nigeria was highly vulnerable to the global economic disruption caused by COVID-19, particularly due to the pronounced decline in oil prices and spikes in risk aversion in global capital markets. The magnitude of the health impact depends on the duration and the domestic spread of the outbreak, while the economic impact hinges on oil prices. Oil prices also affect growth in non-oil industries and services, with additional pressures arising from foreign portfolio investors' reassessment of risks and domestic liquidity management.

There can be no assurance that the identified political risks in Nigeria will not have a material adverse effect on future financial conditions or results of operations of the COPL Group.

Discretion in the Use of Proceeds

The Company intends to use proceeds of any offerings of securities in the manner described in the offering document for any offering. However, there may be circumstances where, in the judgement of management of the Company, a different use of such proceeds is in the best interests of the Company. The Company has discretion concerning the use of the proceeds of any offerings of securities completed by the Company, as well as the timing of the expenditure of such proceeds. As a result, purchasers of such securities will be relying on the judgment of the Company for the application of the proceeds of any offerings of securities once completed. The Company may use the net proceeds of any offerings in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

MARKET FOR SECURITIES

The outstanding Common Shares are listed and posted for trading on the LSE under the symbol "**COPL**" and on the CSE under the symbol "**XOP**". The Company moved its listing from TSXV to the CSE on October 31, 2018.

In accordance with the Share Consolidation on October 1, 2021 as indicated in "*General Development of the Business – Three Year History*", all Common Shares and per Common Share amounts disclosed in trading prices and volume reflect the post Share Consolidation on the basis of one post-Share Consolidation Common Share for each one hundred pre-Share Consolidation Common Shares.

Trading Price and Volume

The following table sets forth the price range and trading volume of the Common Shares as reported by the LSE for the periods indicated:

	Common Shares		
Month	**High £**	**Low £**	**Volume**
January 2022	0.405	0.158	285,644,499
February 2022	0.385	0.291	100,451,907
March 2022	0.390	0.305	74,337,254
April 2022	0.328	0.191	163,536,355
May 2022	0.220	0.162	81,431,649
June 2022	0.230	0.156	66,200,459
July 2022	0.230	0.155	78,682,036
August 2022	0.205	0.116	138,863,352
September 2022	0.174	0.127	59,910,162
October 2022	0.170	0.142	74,936,069
November 2022	0.170	0.132	48,488,247
December 2022	0.198	0.116	60,803,495

The following table sets forth the price range and trading volume of the Common Shares as reported by the CSE for the periods indicated:

	Common Shares		
Month	**High CAD$**	**Low CAD$**	**Volume**
January 2022	0.800	0.260	9,574,809
February 2022	0.680	0.510	5,519,779
March 2022	0.660	0.500	2,440,162
April 2022	0.460	0.310	4,653,075
May 2022	0.415	0.260	1,011,376
June 2022	0.380	0.215	941,471
July 2022	0.370	0.215	1,139,044
August 2022	0.290	0.180	3,762,999
September 2022	0.265	0.190	868,740
October 2022	0.260	0.220	965,773
November 2022	0.250	0.205	985,823
December 2022	0.320	0.190	1,111,929

Prior Sales

Outlined below is a summary of the securities that COPL issued during the financial year ended December 31, 2022, which are not listed or quoted on a marketplace:

Type of Security	Date Issued	Number of Securities	Conversion/Exercise Price
Unit warrants(1)	April 22, 2022	24,965,000	£0.2400 ($0.31)
Brokers' warrants	April 22, 2022	1,997,200	£0.2500 ($0.32)
Bondholders' warrants	July 26, 2022	54,792,590	£0.1675 ($0.20)
Brokers' warrants(2)	July 26, 2022	5,895,000	£0.1675 ($0.20)
Bondholders' warrants	December 30, 2022	12,760,572	£0.1350 ($0.16)

Notes:

(1) Expired unexercised on October 22, 2022.

(2) Expired unexercised on October 24, 2022.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed in "*General Development of the Business*" in respect of the Essar Mauritius and the Cuda Claim, there are no material legal proceedings the Company or its subsidiaries are or were a party to, or that any of its property is or was the subject of, since the beginning of 2022, nor are any such legal proceedings known to the Company to be contemplated.

There have not been any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority since the beginning of 2021, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority since the beginning of 2022.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, to the knowledge of the Directors and officers of COPL, none of the Directors or executive officers of COPL or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of COPL, or any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect COPL.

DIRECTORS AND OFFICERS

The name, location of residence, position(s) with the COPL Group and the principal occupations of the Directors and executive officers of the COPL Group for the past five years are set out in the following table.

Name of Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Arthur S. Millholland(2)(5) Alberta, Canada	Director, President and CEO	August 14, 2009	Mr. Millholland has been the President and CEO of the Company since August 2009. Prior thereto, Mr. Millholland was a Director and the President and CEO of Oilexco from 1994 until July 2009. He has been a Professional Geologist for over 38 years. Mr. Millholland has worked in a variety of regions including the UK North Sea, Canada, the Gulf of Mexico, the United States, South America, and West and North Africa. He is a member of the American Association of Petroleum Geologists and a graduate of the University of Waterloo where he obtained an Honours Bachelor of Science degree in Earth Science.

Name of Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Massimo C. Carello(1)(3)(4)(5) London, United Kingdom	Director	September 29, 2009	Mr. Carello has over 40 years of international senior management and board level experience who in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello is the Chair of the Company's Compensation Committee. Mr. Carello was a director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to the UK in 1990, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello is a Knight Commander of the Royal Order of Francis I of the Two Sicilies, and has a degree in Political and International Sciences from the University of Turin.
Harald H. Ludwig(1)(3)(4) British Columbia, Canada	Director and Chairman of the Board	September 29, 2009	Mr. Ludwig has over 30 years of extensive business and investment experience, and is currently the President of Ludwig Investments Corp (a diversified private equity investment company). Mr. Ludwig is the Chairman of the Board and the Chair of the Company's Corporate Governance and Nominating Committee. He was a Director of Seaspan Corporation (NYSE) from August 2012 until April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles.
John F. Cowan(1)(2)(4)(5) Ontario, Canada	Director	November 10, 2015	Mr. Cowan, a petroleum geologist, has been involved in the Canadian oil and gas industry for 40 years. During this period, he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan is the Chair of the Company's Audit Committee and the Health, Safety and Environment Committee. In 2004, Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, maintenance inventory optimization firm. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario.

Name of Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Robert J. Chenery[(2)(5)] British Columbia, Canada	Director	April 1, 2022	Mr. Chenery has worked in the petroleum and natural gas industry for more than 50 years. Since 1981, Mr. Chenery has been President of Chenery Dobson Resource Management Ltd, a firm specializing in the evaluation and management of oil and gas assets primarily controlled by investors, banks and other financial institutions. In addition, on behalf of some of the same clients, Mr. Chenery has been the CEO and/or Chairman of the board of several small oil and gas enterprises. Mr. Chenery is the Chair of the Company's Reserve Committee. Prior to 1981, Mr. Chenery was a member of the senior management team of the Elf/ Aquitaine Group in Canada. Academic qualifications include a Bachelor of Science in Geological Engineering and a Master's in Business Administration. Mr. Chenery is also a member, in good standing, of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).
Ryan Gaffney London, United Kingdom	CFO	N/A	Mr. Gaffney has been the Company's CFO since July 2020. Prior thereto, Mr Gaffney acted as the Company's Interim CFO from June 2020 to July 2020 and has been an advisor and consultant to the Company since 2017. He has extensive experience providing corporate finance advice and services to oil and gas companies and mining companies including fundraising, mergers and acquisitions advice. Mr. Gaffney was previously Managing Director with the investment bank Canaccord Genuity Limited and Canaccord Genuity Corp. where he was employed from 2002 to 2015. He was a Non-Executive Director of Australian Stock Exchange listed Auroch Minerals Limited from 2016 to 2019. He holds a BSBA from the Daniels College of Business at the University of Denver, Colorado and is founding shareholder and advisor (from 2016 to 2019) to Funder-Inc. (now trading as MyWorld).
Rod Christensen Alberta, Canada	Vice-President, Exploration and Exploitation	N/A	Mr. Christensen has been the Company's Vice President, Exploration and Exploitation since December 2011, and was Manager Exploration and Development from November 2010 to December 2011. Mr. Christensen graduated from the University of Washington with a Bachelor of Geological Sciences Degree. He has over 40 years of experience working in the natural resource industry in Western Canada, the UKCS, Africa and throughout the world, and held key positions with Canadian Hunter Exploration, Cuesta Energy, and Oilexco.

Name of Municipality of Residence	Current Positions & Offices Held	Director Since	Principal Occupations During Past Five Years
Richard Mays Angus, United Kingdom	Vice-President, Business Development and General Counsel	N/A	Dr. Mays has been the Company's Vice President, Business Development and General Counsel since September 2014. He has extensive management and leadership experience in oil and gas companies. Dr. Mays is a Director of Sallork Limited and Sallork Property Limited. He was formerly Professor of Law and Deputy Dean of the Aberdeen Business School. He holds LLB (Honours), LLM and PhD degrees and is a Solicitor and Notary Public in Scotland.
Robert Dion Alberta, Canada	Vice-President, Finance and Controller	N/A	Mr. Dion has been the Company's Vice President, Finance and Controller since October 2021. He has approximately 30 years of financial experience in the oil and gas industry, holding various managerial positions during that time. Mr. Dion graduated from the University of Saskatchewan, with a Bachelor of Commerce degree in 1988 and received his Chartered Accountant designation in 1991 with PriceWaterhouseCoopers (formerly Coopers & Lybrand). Most recently, he was Vice President, Finance and Chief Financial Officer of Tyrannex Energy Ltd. and prior to that, held various senior financial positions at Manitok Energy Inc. (TSXV), Compton Petroleum Corporation (TSX), Canadian Natural Resources Ltd. (TSX), Rio Alto Exploration Ltd. (TSX) and Nexen Inc (TSX).

Notes:

(1) Member of the Audit Committee.
(2) Member of the Reserve Committee.
(3) Member of the Compensation Committee.
(4) Member of the Corporate Governance and Nominating Committee.
(5) Member of the Health, Safety and Environment Committee.

Each Director of COPL will hold office until the close of the next annual meeting of the Shareholders or until their successor is duly elected or appointed or their office is earlier vacated in accordance with the *Canada Business Corporations Act* and the Articles and by-laws of COPL. The Board is comprised of a majority of independent directors.

The Board currently has five committees: the Reserves Committee; the Audit Committee; the Compensation Committee; the Corporate Governance and Nominating Committee and the Health, Safety and Environment Committee. Each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are comprised of independent directors.

The Directors and executive officers of COPL as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 4,167,102 Common Shares, approximately 1.21% of the issued and outstanding Common Shares as at the date of this AIF.

Messrs. Gaffney, Christensen and Mays, officers of the Company, devote their full time and attention to the business and affairs of the Company.

The Directors of COPL, with the exception of Mr. Millholland, who devotes his full time to COPL, devote their time and attention to the affairs of COPL as required.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, no Director or executive officer of COPL is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as set forth herein, no Director or executive officer of COPL: (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of a corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No Director or executive officer of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Arthur Millholland, Ryan Gaffney, Harald Ludwig, John Cowan, and Massimo C. Carello (together, the "Impacted Directors and Officers")

The Impacted Directors and Officers were Directors and officers, when on April 1, 2021, the Company announced approval of an application for a MCTO in order to secure additional time for the Company to file its 2020 Annual Filings and any other periodic disclosure required to be filed pursuant to section 146 of the *Securities Act* (Alberta) while the MCTO is in effect ("**Other Disclosure**"), which was subsequently revoked on May 13, 2021. On May 27, 2021, the Company announced approval of an application for a MCTO in order to secure additional time for the Company to prepare its March 31, 2021 Interim Filings and Other Disclosure. On June 30, 2021, the Company announced the MCTO for the March 31, 2021 Interim Filings and Other Disclosure had been extended to July 14, 2021 and on July 16, 2021 the Company announced the MCTO for the March 31, 2021 Interim Filings and Other Disclosure had been extended to July 26, 2021. The March 31, 2021 Interim Filings MCTO was subsequently revoked on July 28, 2021. On August 18, 2021, the Company announced approval of an application for a MCTO was made by the Company in order to secure additional time for the Company to prepare its June 30, 2021 Interim Filings, which was subsequently revoked on September 3, 2021.

Harald Ludwig

Mr. Ludwig was the Chairman of Zatikka plc on August 5, 2013, when it was announced that administrators were to be appointed in respect of that company. Mr. Ludwig subsequently resigned as a director of Zatikka plc with effect from August 8, 2013. On October 28, 2013, the administrators of Zatikka plc announced that they intended to exit the administration of that company by means of a creditors' voluntary liquidation.

John Cowan

Mr. Cowan was a director and officer of Dundee Energy Limited until April 2017. On August 16, 2017, a court order for protection under the *Companies' Creditors Arrangement Act* (Canada) was issued with respect to two wholly-owned entities being Dundee Oil and Gas Limited and Dundee Energy Limited Partnership. On June 11, 2018, the Ontario Superior Court of Justice approved a sale of these entities and the transaction was completed on November 16, 2018.

Robert Dion

From March 2010 to February 28, 2018, Mr. Dion was Vice President Finance and CFO of Manitok Energy Inc. ("**Manitok**"), a company listed on the TSXV. On January 10, 2018, Manitok announced that it had filed a Notice of an Intention to Make a Proposal (the "**NOI**") pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), naming FTI Consulting Canada Inc. ("**FTI**") as the proposed trustee. Manitok was unable to form a proposal with its creditors within 30 days after filing its NOI and as a result, on February 20, 2018, the Court of Queen's Bench of Alberta issued a receivership order placing Manitok into receivership and substituting Alvarez & Marsal Canada Inc. in place of FTI as the trustee in bankruptcy. On May 4, 2018, the Alberta Securities Commission and the Ontario Securities Commission issued a dual cease trade order against Manitok for failure to file the required period disclosure, being annual filings for the year ended December 31, 2017.

Conflicts of Interest

Certain Directors and executive officers of COPL are, and may continue to be, also directors, officers or shareholders of other oil and gas companies whose operations may, from time to time, be in direct competition with those of COPL or with entities which may, from time to time, provide financing to, or make equity investments in competitors of COPL. In accordance with the *Canada Business Corporations Act*, such Directors and executive officers will be required to disclose all conflicts of interest as such conflicts arise. If a conflict of interest arises at a meeting of the Board, any Director in a conflict will disclose their interest and abstain from voting on such matter.

AUDIT COMMITTEE

Audit Committee

Messrs. Cowan, Carello and Ludwig are the members of the Audit Committee and Mr. Cowan is its Chair. The Audit Committee is comprised of independent Directors and constituted in accordance with applicable securities laws and the policies of the CSE.

Independence of Audit Committee

NI 52-110 provides that a member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the member's independent judgment. Each of the members of the Audit Committee, in the view of the Board, is "independent" as that term is defined in NI 52-110.

Financial Literacy of Audit Committee

NI 52-110 provides that an individual is "financially literate" if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All of the Audit Committee members are financially literate as that term is defined in NI 52-110.

Relevant Education and Experience

John Cowan

Mr. Cowan, a petroleum geologist, has been involved in the Canadian oil and gas industry for 40 years. During this period, he and his team founded three publicly listed Canadian junior exploration, production and storage companies. Mr. Cowan's previous public company committee experience includes: audit, corporate governance and reserves, health and safety and compensation. Mr. Cowan was a director of Dundee Energy Ltd. (TSX) from September 2011 until April 2017. In 2004 Mr. Cowan was a founding shareholder and President of Xtivity Inc. a closely held, Maintenance Inventory Optimization firm. The company was sold February 28, 2020, and on April 2, 2020, Mr. Cowan became a founding shareholder and President of BrineTech Inc, a privately held, petroleum-sector, industrial brine operator in Ontario.

Massimo Carello

Mr. Carello has over 40 years of international senior management and board level experience and in the past ten years has operated as an independent businessman providing services as a consultant and managing his own investment portfolio. Mr. Carello was a director of Orsu Metals Corp. from September 2008 until December 2016 and a director of Canaccord Genuity Group Inc. from August 2008 until August 2018. Before moving to the UK in 1990, where he currently lives, Mr. Carello was the President and Managing Director of Carello Group SpA. The company was the third largest European headlamp producer before being sold to the Fiat Group. Mr. Carello is a Knight Commander of the Royal Order of Francis I of the Two Sicilies, and has a degree in Political and International Sciences from the University of Turin.

Harald Ludwig

Mr. Ludwig has over 30 years of extensive business and investment experience, and is currently the President of Macluan Capital Corp. (a diversified private equity investment company). He was a member of the board of directors of Lions Gate Entertainment Corp. (NYSE) from June 2005 to September 2016, a Director of West Fraser Timber Co. Ltd. (TSX) from May 1995 to April 2017 and a Director of Seaspan Corporation (NYSE) from August 2012 to April 2018. He is a founding partner or private equity investor in a number of North American and international private equity firms, hedge funds, mezzanine lenders, growth capital providers, distressed investment firms and real estate investment vehicles.

Auditors

Audit Committee Oversight

Since the commencement of COPL's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee Charter attached as Appendix D sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of non-audit services.

External Auditor Service Fees

The fees related to the Company's external auditor in the last two fiscal years are set out in the table below. Audit Fees were incurred in connection with annual financial statements, statutory filings, quarterly reviews of financial information and services rendered for prospectuses and other accounting services.

	2022 ($)	**2021 ($)**
Audit Fees	**332,575**	464,774
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	**332,575**	464,774

MATERIAL CONTRACTS

The only material agreements entered into on behalf of the Company are the Atomic Acquisition agreement, the Senior Credit Facility, the Lender Warrant Agreement, Senior Credit Facility amendment and waiver agreements, the Cuda Asset Acquisition agreement, and the Bond agreements. See "*General Development of the Business - Three Year History*" for a description of these contracts.

AUDITORS, TRANSFER AGENTS AND REGISTRAR

The auditors of the Company are Ernst & Young LLP, Chartered Accountants, Suite 2200, 250 – 2nd Street SW, Calgary, Alberta Canada T2P 1M4 for periods commencing on January 1, 2018.

The registrar and transfer agent for the Common Shares and Warrants is Computershare Trust Company of Canada at its principal office in Calgary, Alberta and sub-agency office in Toronto, Ontario.

INTERESTS OF EXPERTS

Ernst & Young LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

As at the date hereof, the designated professionals of Ryder Scott, independent reserves auditors, do not beneficially own, directly or indirectly, any securities of the Company.

ADDITIONAL INFORMATION

Additional information relating to COPL, including Directors' and officers' remuneration and indebtedness, principal holders of COPL's securities and securities authorized for issuance under the Stock Option Plan, will be contained in the Company's Information Circular for its upcoming annual meeting of shareholders that will involve the election of directors and such document will be filed on SEDAR.

Additional financial information is provided in COPL's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year, and which are filed on SEDAR. Documents can also be retrieved from the Company's website at www.canoverseas.com.

APPENDIX A
FORM NI 51-101F1

RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Date of Statement

This statement of reserves data and other oil and gas information of the Company is dated March 31, 2023. The effective date of the information provided in this statement is as of the Company's most recently completed fiscal year ended December 31, 2022, and the preparation date of the information is March 8, 2023.

Disclosure of Reserves Data

The tables contained in this file are a summary of the oil, natural gas and NGLs reserves and the value of future net revenue of the Company's interests in the BFSU, the CCU and the BFDU properties in Wyoming, US. This file is based on the report as evaluated by Ryder Scott Company – Canada ("**RS**") effective as at December 31, 2022 "*Estimated Future Reserves and Income Attributable to Certain Leasehold Interests, Escalated Parameters as of December 31, 2022*" for COPL, dated March 8, 2023, (the "**2022 RS Report**"). RS is an independent qualified reserves evaluator and auditor.

The 2022 RS Report evaluated 100% of the reserves of COPL's oil, natural gas and NGLs producing assets, in Wyoming, US. The tables below show the reserves and discounted cashflow values for the Company's interests in the State of Wyoming, US, as represented by RS.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to COPL's reserves estimated by RS represent the fair market value of those reserves. The net present value of future net revenue attributable to the Company's reserves is based on the RS price forecast and is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, transportation and marketing costs, development costs, future capital expenditures and well abandonment and reclamation costs, including shut-in and/or suspended wells and facilities. The recovery and reserve estimates of COPL's oil, natural gas and NGLs reserves provided are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided.

In preparing its report RS relied upon certain factual information and data furnished by COPL with respect to ownership interests, oil, natural gas and NGLs production, historical costs of operation and development, product prices, agreements relating to current and future operations, sales of production, and other relevant data. The extent and character of all factual information and data supplied were relied upon by RS in preparing their report and was accepted as represented without independent verification. RS relied upon representations made by the Company as to the completeness and accuracy of the data provided and that no material changes in the performance of the properties has occurred nor is expected to occur, from that which was projected in their reports, between the date that the data was obtained for their evaluations and the date of the 2022 RS Report, and that no new data has come to light that may result in a material change to the evaluation of the reserves presented in this appendix.

The evaluations were conducted within RS's understanding of petroleum legislation, taxation and other regulations that currently apply to these interests. However, Ryder Scott is not in a position to and did not attest to the property title, financial interest relationships or encumbrances related to the Company's licenses.

The evaluations in the 2022 RS Report reflect RS's informed judgement based on the Canadian Oil and Gas Evaluation Handbook Standards, but is subject to generally recognized uncertainties associated with the interpretation of geological, geophysical and engineering data. The reported hydrocarbon reserves volumes are estimates based on professional engineering judgement and are subject to future revision, upward or downward, because of future operations or as additional information becomes available.

The estimates of reserves presented in the 2022 RS Report were based upon a detailed study of the properties in which COPL owns an interest; however, RS has not made any field examination of the properties, as it was deemed that an on-site visit would not provide any additional data pertinent to the evaluation of the reserves. No consideration was given in this report to potential environmental liabilities that may exist beyond the abandonment costs scheduled in this evaluation, nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

The following tables are prepared from information contained in the 2022 RS Report as of December 31, 2022. Some of the numbers in the following tables may not appear to sum to the stated totals because of rounding in the source tables.

All amounts are presented in US dollars unless otherwise noted.

Reserve Report Definitions

"**Gross Reserves**" means the Company's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company.

"**Net Reserves**" means the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves.

"**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.

"**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.

"**Possible**" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

"**Developed**" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

"**Developed Producing**" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed Non-Producing**" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and behind pipe reserves, and the date of resumption of production is unknown.

"**Undeveloped**" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. They must fully meet the requirements of the reserve classification (proved, probable, possible) to which they are assigned.

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		**Natural Gas**	
bbl	barrel(1)	mcf	thousand cubic feet
bbls	barrels	Mmcf	million cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
Mbbls	thousand barrels	Mmcf/d	million cubic feet per day
MMbbls	Million barrels	GJ	Gigajoule
NGLs	natural gas liquids	GJ/d	Gigajoules per day
boe	barrels of oil equivalent(2)	MMBTU	million British thermal units
boe/d	barrels of oil equivalent per day		
Mboe	thousand barrels of oil equivalent		

Notes:

(1) Each barrel represents 34.972 Imperial gallons or 42.0 US gallons.

(2) The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf of natural gas to one bbl of crude oil or NGLs is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Reserves Data – Breakdown of Reserves

The following table summarizes RS's estimates of COPL's oil and gas reserves at December 31, 2022, based on forecast prices and costs.

Table A-1:

SUMMARY OF OIL AND GAS RESERVES AS AT DECEMBER 31, 2022
(Forecast Prices and Costs)

	Light / Medium Oil		Natural Gas		Natural Gas Liquids		Total[1]	
Reserves Category[2]	**Gross (Mbbl)[3]**	**Net (Mbbl)**	**Gross (Mmcf)[3]**	**Net (Mmcf)**	**Gross (Mbbl)[3]**	**Net (Mbbl)**	**Gross (Mboe)[3]**	**Net (Mboe)**
Proved								
Developed producing	9,204.2	7,191.2	5,077	3,968	564.1	440.9	10,614.6	8,293.4
Developed non-producing	160.4	124.0	-	-	-	-	160.4	124.0
Undeveloped	9,221.3	7,086.6	6,249	4,803	832.6	638.7	11,095.3	8,525.8
Total proved	18,585.9	14,401.8	11,326	8,771	1,396.7	1,079.6	21,870.3	16,943.2
Probable	15,211.9	11,726.6	8,643	6,647	1,211.8	931.0	17,864.3	13,765.4
Total proved plus probable	33,797.8	26,128.4	19,969	15,418	2,608.6	2,010.5	39,734.6	30,708.6

Notes:
(1) See information related to the boe conversion ratio in abbreviations.
(2) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(3) Gross volumes are the Company working interest volumes.

The following table is a summary of the net present values of future net revenues associated with such reserves at December 31, 2022, based on forecast prices and costs, before and after deducting income taxes, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%. Future net revenue includes estimated future abandonment and reclamation costs related to wells and production facilities required to produce the reserves.

Table A-2:

NET PRESENT VALUE OF FUTURE NET REVENUE AS AT DECEMBER 31, 2022
(Forecast Prices and Costs)

	Before Income Taxes Discounted at (%/year) ($MM)					After Income Taxes Discounted at (%/year) ($MM)					Unit Value Before Income Tax Discounted at 10%[1]
Reserves Category[2]	**0%**	**5%**	**10%**	**15%**	**20%**	**0%**	**5%**	**10%**	**15%**	**20%**	**$/boe[3]**
Proved											
Developed producing	384.3	201.1	126.4	88.4	65.9	315.9	167.1	105.5	73.8	54.7	15.24
Developed non-producing	2.0	1.9	1.6	1.3	1.1	1.7	1.6	1.3	1.1	0.9	13.03
Undeveloped	237.8	100.2	39.6	10.1	(5.1)	195.5	83.3	33.0	8.5	(4.2)	4.64
Total proved	624.1	303.2	167.6	99.8	61.9	513.1	251.9	139.9	83.3	51.4	9.89
Probable	579.3	300.1	174.0	109.1	72.3	456.0	236.7	136.9	85.7	56.6	12.64
Total proved plus probable	1,203.4	603.3	341.6	209.0	134.2	969.1	488.6	276.8	169.0	108.0	11.12

Notes:
(1) The unit values are based on net reserves.
(2) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(3) See information related to the boe conversion ratio in abbreviations.

Components of Future Net Revenue

The following table sets out, in the aggregate, the various elements of the Company's future net revenue associated with the Company's reserves, calculated based on forecast prices and costs and without discount.

Table A-3:

COMPONENTS OF FUTURE NET REVENUE AS AT DECEMBER 31, 2022
(Forecast Prices and Costs) (Undiscounted)

Reserves Category[(1)]	Revenue ($MM)	Royalties & Burdens[(2)] ($MM)	Operating Costs ($MM)	Development Costs ($MM)	Abandonment and Reclamation Costs[(3)] ($MM)	Future Net Revenue Before Income Taxes ($MM)	Future Income Tax Expenses ($MM)	Future Net Revenue After Income Taxes ($MM)
Proved								
Developed producing	842.5	199.3	182.8	58.7	17.4	384.3	68.4	315.9
Developed non-producing	12.6	3.9	4.3	1.4	1.0	2.0	0.2	1.7
Undeveloped	873.4	280.0	159.9	183.4	12.3	237.8	42.4	195.5
Total proved	1,728.5	483.2	347.0	243.5	30.7	624.1	111.1	513.1
Probable	1,441.6	459.7	208.3	183.1	11.2	579.3	123.2	456.0
Total proved plus probable	3,170.1	942.9	555.3	426.6	41.9	1,203.4	234.3	969.1

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.

(2) Royalties and Burdens include ad valorem and production taxes.

(3) Abandonment and reclamation costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties.

Future Net Revenue by Production Group

The following table provides additional information derived from the 2022 RS Report, by production group, regarding the future net revenues associated with the Company's reserves, before deducting income taxes and calculated using a 10% discount rate.

Table A-4:

FUTURE NET REVENUE BY PRODUCT TYPE AS AT DECEMBER 31, 2022
(Forecast Prices and Costs)

Reserves Category[(1)]	Production Group	Future Net Revenue Before Income Taxes (discounted at 10%/year) ($MM)	Unit Value Net Reserve Basis ($/bbl for crude oil) ($/mcf for natural gas) ($/boe for totals)[(2)]
Proved	Light and medium oil (including solution gas and products)	167.6	9.89
	Heavy oil (including solution gas and products)	-	
	Conventional natural gas (non-associated and products)		
	Non-conventional oil and gas (including solution gas and products)		
	Total	167.6	9.89
Proved plus probable	Light and medium oil (including solution gas and products)	341.6	11.12
	Heavy oil (including solution gas and products)	-	
	Conventional natural gas (non-associated and products)		
	Non-conventional oil and gas (including solution gas and products)		
	Total	341.6	11.12

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.

(2) See information related to boe conversion ratio in abbreviations.

Pricing Assumptions

The following tables detail the benchmark reference prices, for the COPL assets in which COPL operated as at December 31, 2022, reflected in the 2022 RS Report. At the request of COPL, future hydrocarbon price parameters used in the reserve report reflect the future oil and natural gas price forecasts as published by RS.

Table A-5:

RYDER SCOTT PRICE FORECAST AS AT DECEMBER 31, 2022						
	Crude Oil		NGLs	Natural Gas		
Year	WTI Cushing Oklahoma ($/bbl)	Brent North Sea Blend ($/bbl)	Mont Belvieu Butane ($/bbl)	NYMEX @ Henry ($/Mmbtu)	Colorado Interstate ($/Mmbtu)	Inflation Rate (%)
2023	79.50	83.75	53.66	4.50	4.23	6%
2024	77.00	81.71	51.98	4.25	3.98	3%
2025	75.00	80.24	50.63	4.40	4.13	2%
2026	76.50	81.86	51.64	4.49	4.21	2%
2027	78.03	83.51	52.67	4.58	4.30	2%
2028	79.59	85.19	53.72	4.67	4.38	2%
2029	81.18	86.91	54.80	4.76	4.47	2%
2030	82.81	88.66	55.89	4.86	4.56	2%
2031	84.46	90.44	57.01	4.96	4.65	2%
2032	86.15	92.26	58.15	5.05	4.75	2%
2033	87.87	94.12	59.32	5.16	4.84	2%
2034	89.63	96.01	60.50	5.26	4.94	2%
2035	91.42	97.94	61.71	5.36	5.04	2%
2036	93.25	99.91	62.95	5.47	5.14	2%
2037	95.12	101.92	64.20	5.58	5.24	2%
2038	97.02	103.97	65.49	5.69	5.34	2%
2039	98.96	106.06	66.80	5.81	5.45	2%
2040	100.94	108.20	68.13	5.92	5.56	2%
2041	102.96	110.37	69.50	6.04	5.67	2%
2042	105.02	112.59	70.89	6.16	5.78	2%
2043	107.12	114.86	72.30	6.28	5.90	2%
2044	109.26	117.16	73.75	6.41	6.02	2%
2045	111.45	119.52	75.23	6.54	6.14	2%
2046	113.67	121.92	76.73	6.67	6.26	2%
thereafter	No further escalation					

The actual weighted average commodity prices received by COPL in 2022 are as follows: (a) light crude oil: $91.70/bbl; (b) natural gas: $NIL; and (c) NGLs: $NIL. All of the Company's natural gas production is reinjected for the miscible flood recovery scheme in the Barron Flats Shannon Unit ("**BFSU**") and NGL production is not measured separately.

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at December 31, 2021 against such reserves as at December 31, 2022 based on the RS forecast price and cost assumptions.

Table A-6:

RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE AS AT DECEMBER 31, 2022 (Forecast Prices and Costs)

	Light / Medium Oil(1)			Natural Gas Liquids(1)		
Factors	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mbbl)**	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mboe)(2)**
December 31, 2021	13,116	12,688	25,804	819	636	1,455
Extensions and improved recovery	-	-	-	-	-	-
Infill drilling	-	-	-	-	-	-
Technical revisions(3)	361	(1,569)	(1,208)	181	246	427
Discoveries	-	-	-	-	-	-
Acquisitions(4)	5,234	4,042	9,276	392	323	715
Dispositions	-	-	-	-	-	-
Economic factors(5)	266	51	317	4	7	11
Production(6)	(391)	-	(391)	-	-	-
December 31, 2022	18,586	15,212	33,798	1,397	1,212	2,609

	Associated and Non-Associated Natural Gas(1)			Total(1)		
Factors	**Gross Proved (Mbbl)**	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mbbl)**	**Gross Proved (Mboe)**	**Gross Probable (Mboe)**	**Gross Proved Plus Probable (Mboe)(2)**
December 31, 2021	7,418	4,776	12,194	15,172	14,120	29,291
Extensions and improved recovery	-	-	-	-	-	-
Infill drilling	-	-	-	-	-	-
Technical revisions(3)	723	1,520	2,243	663	(1,070)	(407)
Discoveries	-	-	-	-	-	-
Acquisitions(4)	3,161	2,299	5,460	6,153	4,748	10,901
Dispositions	-	-	-	-	-	-
Economic factors(5)	24	48	72	274	66	340
Production(6)	-	-	-	(391)	-	(391)
December 31, 2022	11,326	8,643	19,969	21,870	17,864	39,735

Notes:

(1) See definitions of "Proved" and "Probable" Reserves in reserve report definitions.
(2) See information related to boe conversion ratio in abbreviations.
(3) Technical revisions resulted mainly from changes in actual performance compared to previous forecasts, plus operating cost changes, future development cost changes and forecast increases to ultimate gas recovery.
(4) The Cuda Asset Acquisition of additional working interest in the Wyoming Assets closed on July 26, 2022.
(5) Economic factors result from oil and natural gas price forecasts used in the 2022 RS Report that were higher than the oil and natural gas forecasts used in the prior RS reserve report, resulting in positive impacts on all reserve volumes.
(6) Represents actual oil sales volumes for 2022. The produced natural gas and NGL are not sold, but recycled and reinjected in the BFSU miscible flood recovery scheme.

Additional Information Relating to Reserves Data

Undeveloped Reserves

Undeveloped reserves are attributed by RS in accordance with standards and procedures contained in the COGE Handbook. COPL attributes Proven or Probable Undeveloped reserves on the basis of those reserves expected to be recovered from known accumulations where significant expenditures are required to render them capable of production. COPL's plans for development of its Proved Undeveloped Reserves ("**PUD**") and its Probable Undeveloped Reserves ("**PROB**") are outlined in the below sections.

Barron Flats Shannon Unit ("BFSU") – Future Development

The Barron Flats property produces from the BFSU Shannon oil pool. Over a large portion of the pool, miscible gas flooding is currently underway, a project which received regulatory approval in 2019. As of December 31, 2022, phase 1 of the miscible flood recovery scheme is substantially online, with eight operational injection wells and 32 operational producing wells within the BFSU gas flood area. As well, most of the required large equipment purchases for the purposes of gas flood operations have already occurred.

Based on the net pay mapping completed by RS, a total of 23 new locations were included as PUDs (16 producers and seven injectors), and 12 additional locations were assigned PROBs (nine producers and three injectors). COPL has planned for the drilling of the 19 wells (producers and injectors) within the BFSU Shannon oil pool to commence in 2024 aligned with the PUDs assigned by RS.

Based on information provided by COPL at the time of report compilation, RS has scheduled future drilling in accordance with that guidance. It is recognized that COPL may have plans to modify the timing of the well drilling (space out the drilling over 2024 and 2025) and the assumed schedule may change. Generally speaking, capital is forecast to be invested one month prior to the online date.

Cole Creek Unit ("CCU") – Future Development

COPL plans to drill 48 new horizontal oil wells in the Dakota and Frontier sands; this is comprised of 20 PUD locations and 25 PROB locations and three locations with no reserves assigned. Within the 2022 RS Report, the drilling campaign starts in 2026. RS has based these assumptions on information provided by COPL at the time of report compilation and recognizes that the plan and timing schedule could change. There are currently nine producers in the CCU field.

In 2022, COPL carried out one recompletion in the Frontier 1 formation. Additional Frontier 1 recompletion opportunities are expected to occur in 2023.

Significant Factors or Uncertainties Affecting Reserves Data

The estimation of reserves requires significant judgement and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecasts, prices and economic conditions. All of the Company's reserves are evaluated by RS, an independent engineering firm. As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimates are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves, the accuracy of the reserve estimate improves.

Certain information regarding the Company set forth in this report, including management's assessment of the Company's future plans and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks that could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans; risks associated with the uncertainty of reserve estimates; health and safety risk; and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Company faces in this industry. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, and if any of them do, what benefits the Company may derive therefrom. The reader is cautioned not to place undue reliance on this forward-looking information.

The Company anticipates that any future exploration and development costs associated with its reserves will be financed through combinations of internally generated cashflow, debt and/or equity financing.

Information Concerning Abandonment and Reclamation Costs

The estimated abandonment, decommissioning and reclamation ("**ADR**") costs presented in this table are for all evaluated properties, including shut-in or suspended wells and facilities in those properties. These costs are based on discussions with COPL's engineering personnel who, in turn, evaluated information provided by field and technical personnel with experience in the oil and gas basins in which the company operates. All future ADR costs are deducted in determining future net revenues. The ADR costs for all evaluated properties included in the 2022 RS Report have been included in the tables below.

Table A-7:

FUTURE ABANDONMENT AND RECLAMATION COSTS AS AT DECEMBER 31, 2022 (Forecast Prices and Costs)[1]		
Year	**Total Proved ($MM)**	**Proved Plus Probable ($MM)**
Undiscounted		
2023	0.1	0.1
2024	-	-
2025	0.7	0.7
For three years	0.8	0.8
Remainder	29.9	41.1
Total	30.7	41.9

Note:

(1) Costs reflect well abandonments for entities forecast in the reserve report, plus ADR costs for non-reserve wells and facilities.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the Proved and Probable reserves.

Table A-8:

FUTURE DEVELOPMENT COSTS AS AT DECEMBER 31, 2022 (Forecast Prices and Costs)		
Year	**Total Proved ($MM)**	**Proved Plus Probable ($MM)**
Undiscounted		
2023	15.4	16.4
2024	47.4	49.1
2025	26.6	38.5
2026	114.2	128.4
2027	39.0	92.0
2028	-	65.6
remainder	0.9	36.6
Total undiscounted	243.5	426.6
Total discounted @ 10% per year	184.1	298.3

The Company will require additional financing before it is able to implement its business plan and complete the development costs specified above. The effect of the costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

There can be no guarantee that funds will be available or that the Company will allocate funding to develop all of the reserves attributed in the 2022 RS Report. Failure to develop those reserves would have a negative impact on future production and funds from operations.

Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Company held a working interest as at December 31, 2022:

Table A-9:

2022 PRODUCING AND NON-PRODUCING WELLS[(1)]										
	Producing Crude Oil Wells		Non-producing Crude Oil Wells		Producing Natural Gas Wells		Non-producing Natural Gas Wells		Total Wells	
Area	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Wyoming	37	31.5	18	17.4	-	-	-	-	55	48.9

Note:
(1) Excludes injection wells (8 gross, 6.8 net) and a water disposal well (1 gross, 0.6 net).

Properties with no Attributed Reserves

Suspended wells with no reserves assigned were assigned ADR costs in accordance with expected costs for this activity. These costs are captured in the values presented in Table A-7.

Significant Factors or Uncertainties Relevant to Properties with no Attributed Reserves

No additional liabilities were forecast in this report in addition to those scheduled in Table A-7. It is anticipated that over the next three years, the Company will complete the reclamation of an abandoned well in 2023 and abandon three wells in 2025 in the Cole Creek field. The Company is not committed to these operations during this three year period and as such, it possible to complete these operations subsequent to 2025.

Forward Contracts

The Company did not include its outstanding forward commodity contracts in the 2022 RS Report.

Tax Horizon

Based on after-tax economic forecasts in the 2022 RS Report, income taxes begin to be payable by the Company in 2028, using Proved Developed Producing reserves.

For a discussion of COPL's overall tax status, please see COPL's audited consolidated comparative financial statements for the year ended December 31, 2022 and management's discussion and analysis for its most recently completed financial year, which are filed on SEDAR.

Costs Incurred

The following table summarizes the Company's capital expenditures incurred during the year ended December 31, 2022:

Table A-10:

2022 ACQUISITION, EXPLORATION AND DEVELOPMENT COSTS ($MM)					
Area	**Property Acquisition Costs[1]**	**Proved Properties**	**Unproved Properties**	**Exploration Costs**	**Development Costs**
Wyoming	19.4	0.3	-	0.3	8.6

Note:

(1) The Cuda Asset Acquisition of additional working interest in the Wyoming Assets closed on July 26, 2022. The development costs are primarily the capitalized purchase costs of gas and liquids for the BFSU miscible flood requirements, one recompletions operation in the CCU and four workovers in the BFSU. Exploration costs relate to carryover costs of the discovery well drilled in the BFDU in 2021.

Exploration and Development Activities

The Company did not drill any wells in 2022. In late 2021, the Company drilled one exploration well at 14-30VF, which targeted the deeper Frontier and Dakota formations. Based on the results of the 14-30VF discovery well, additional drilling in the BFSU, BFDU and CCU areas is expected to commence in late 2025 and continue through 2026 and beyond. The development activities planned for Wyoming for 2023 principally targets a continuation of the development of the Shannon oil pool in the BFSU. Seven wells are planned for 2024 and nine further wells are expected for 2025. Development activities beyond 2025 will depend on the success of the 2024 and 2025 drilling results. There is considered to still be significant potential around the edges of the BFSU.

Production Estimates

The following table is a summary of the gross (prior to royalties) volume of the Company's estimated production for 2023, which is reflected in the estimate of future net revenue in the 2022 RS Report based on forecast prices and costs.

Table A-11:

2023 ESTIMATED PRODUCTION				
Reserves Category[1]	**Light/ Medium Oil (Mbbl)**	**Natural Gas (Mmcf)**	**Natural Gas Liquids (Mbbl)**	**Total (Mboe)[2]**
Total				
Gross proved[3]	456.2	-	-	456.2
Gross proved plus probable[3]	493.7	-	-	493.7

Notes:

(1) See definitions of "Proved" and "Probable" reserves in reserve report definitions.
(2) See information related to the boe conversion ratio in abbreviations.
(3) The BFSU field accounts for more than 20% of total production and is estimated to be 422.5 Mbbl for Gross Proved reserves and 455.4 Mbbl for Gross Proved plus Probable reserves.

Production History and Per Unit Results

Average Daily Production by Product Type

The following table sets out, by product type, COPL's average gross daily production volumes for each quarter of the year ended December 31, 2022.

Table A-12:

2022 QUARTERLY AND ANNUAL AVERAGE GROSS DAILY PRODUCTION HISTORY					
	Three months ended				Year ended
Product Type	**March 31, 2022**	**June 30, 2022**	**September 30, 2022**	**December 31, 2022**	**December 31, 2022[3]**
Total					
Light and medium oil (bbls/d)	1,114	961	1,107	1,177	1,090
Natural gas (mcf/d)[1]	-	-	-	-	-
Total (boe/d)[2]	1,114	961	1,107	1,177	1,090

Notes:

(1) All produced natural gas is reinjected for the miscible flood recovery scheme in the BFSU and not sold and NGL production is not measured separately.

(2) See information related to the boe conversion ratio in abbreviations.

(3) The BFSU is considered an important field and had average annual gross daily production of 1,005 bbls/d.

Operating Netbacks

The following table sets forth, by product type, COPL's prices received, royalties paid, production taxes and operating costs incurred and the resulting operating netback on a per unit of volume basis, for each quarter of the year ended December 31, 2022.

Table A-13:

LIGHT AND MEDIUM OIL 2022 QUARTERLY OPERATING NETBACK HISTORY					
	Three months ended				Year ended
$/bbl	**March 31, 2022**	**June 30, 2022**	**September 30, 2022**	**December 31, 2022**	**December 31, 2022**
Prices received	91.14	104.75	89.26	79.84	91.70
Royalties paid	(20.57)	(23.67)	(19.46)	(17.56)	(21.27)
Production taxes	(8.91)	(10.27)	(8.37)	(7.89)	(8.79)
Production costs	(13.13)	(15.08)	(23.17)	(31.01)	(21.00)
Operating netback[1]	48.53	55.73	38.26	23.38	40.64

Note:

(1) There are no operating netbacks for natural gas as it is reinjected for the miscible flood recovery scheme in the BFSU and not sold and NGL production is not measured separately.

APPENDIX B
FORM 51-101F2

REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR
RYDER SCOTT COMPANY-CANADA

To The Board of Directors of Canadian Overseas Petroleum Limited (the "**Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2022. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2022, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2022, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (US$M)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2022	United States	$0	$341,571	$0	$341,571

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:
Ryder Scott Company-Canada, Calgary, Alberta, Canada

Execution Date: Dated as of the 8th day of March, 2023

Signed by: '*Original Signed by*'
Andrew J. Thompson, P. Eng.
Senior Vice President

APPENDIX C
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of COPL are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data and includes, if disclosed in the statement required by item 1 of section 2.1 of NI 51-101, other information such as proven and probable reserves data.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has

a. reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
b. met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
c. reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

a. the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
b. the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
c. the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

(signed) "Robert Chenery"
Director (Chair of Reserve Committee)

(signed) "John Cowan"
Director

(signed) "Arthur Millholland"
Director and Chief Executive Officer

(signed) "Rod Christensen"
Vice-President, Exploration and Exploitation

March 31, 2023

APPENDIX D
AUDIT COMMITTEE CHARTER

1. PURPOSE

The Audit Committee of Canadian Overseas Petroleum Limited ("**COPL**") is a committee of the Board of Directors (the "**Board**") with the responsibility under the governing legislation of COPL to review the financial statements, accounting policies and reporting procedures of COPL.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by COPL to any governmental body or the public, the systems of internal controls of COPL regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of COPL generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of COPL.

The primary duties and responsibilities of the Audit Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of COPL.
- Monitor the independence and performance of the auditor of COPL (the "**Auditor**") and the internal audit function of COPL.
- To communicate directly with the internal and external auditors and provide an open avenue of communication among the Auditor, financial and senior management and the Board.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

2. COMPOSITION

- The Audit Committee shall be comprised of three or more directors as determined by the Board. The composition of the Audit Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of COPL are listed.
- All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices, and be "financially literate" in accordance with applicable laws and all requirements of the stock exchanges on which shares of COPL are listed or become financially literate within a reasonable period of time following his or her appointment.
- Members of the Audit Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Audit Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Audit Committee.
- The members of the Audit Committee shall be entitled to receive such remuneration for acting as members of the Audit Committee as the Board may from time to time determine.
- Any person with a past affiliation with COPL as an officer or auditor is subject to a three year "cooling-off" period, meaning they may not be a member of the Audit Committee during that period.

3. MEETINGS

- The Audit Committee may appoint one of its members to act as Chairman of the Audit Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Audit Committee or a director and can be changed by written notice from the Chairman.

- No business may be transacted by the Audit Committee except at a meeting at which a quorum of the Audit Committee is present or by a consent resolution in writing signed by all members of the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum, provided that if the number of members of the Audit Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- The Audit Committee will meet as many times as is necessary to carry out its responsibilities, but at least quarterly to review the financial statements of COPL. The Audit Committee will meet with management and the Auditor in separate executive sessions to discuss any matters that the Audit Committee or these parties believe should be discussed privately.

- The time at which, and the place where, the meetings of the Audit Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the By-Laws of COPL or otherwise determined by resolution of the Board.

- The Audit Committee may invite to, or require the attendance at, any meeting of the Audit Committee, such officers and employees of COPL, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities.

- Subject to the provisions of the governing legislation of COPL and applicable regulations the Chairman of the Audit Committee may exercise the powers of the Audit Committee in between meetings of the Audit Committee. In such event, the Chairman shall immediately report to the members of the Audit Committee and the actions or decisions taken in the name of the Audit Committee shall be recorded in the proceedings of the Audit Committee.

4. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of COPL any revisions or updates to this Charter. This review should be done at least annually.

- Review the interim unaudited quarterly financial statements and the annual audited financial statements and accompanying MD&A, and the related press releases of COPL and report on them to the Board.

- Satisfy itself, on behalf of the Board, that the unaudited quarterly financial statements and annual audited financial statements of COPL are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board whether the quarterly and annual financial statements should be approved.

- Satisfy itself, on behalf of the Board, that the information contained in the quarterly financial statements of COPL, annual report to shareholders and similar documentation does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- Review any reports or other financial information of COPL submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.

- Review, and if deemed advisable, approve any related party transactions.

- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of COPL; (ii) to discuss such accounts and records and any matters relating to the financial position of COPL with the officers and auditors of COPL and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Audit Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Audit Committee.

- Permit the Board to refer to the Audit Committee such matters and questions relating to the financial position of COPL and its affiliates or the reporting related to it as the Board may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of COPL upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Audit Committee.
- Act as the Auditor's channel of direct communication to COPL. In this regard, the Audit Committee shall, among other things, receive all reports from the Auditor of COPL, including timely reports of:
  (a) all critical accounting policies and practices to be used;
  (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of COPL, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of COPL; and
  (c) other material written communications between the Auditor and the management of COPL, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Audit Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and COPL, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Audit Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Audit Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Audit Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Audit Committee.
- Satisfy itself, on behalf of the Board, that any matter which the Auditor wishes to bring to the attention of the Board has been addressed and that there are no "unresolved differences" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of COPL to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of COPL.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of COPL and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board, that COPL has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of COPL and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of COPL, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of COPL and monitor compliance with such policies.

- Establish procedures for the receipt and treatment of (i) complaints received by COPL regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of COPL as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board, that all material statutory deductions have been withheld by COPL and remitted to the appropriate authorities.
- Without limiting its rights to engage independent counsel and other advisors as it determines necessary to carry out its duties generally, review, with the principal legal external counsel of COPL, any legal matter that could have a significant impact on the financial statements of COPL.
- Satisfy itself, on behalf of the Board, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the Articles of COPL and governing law, as the Audit Committee or the Board deem necessary or appropriate.
- The Audit Committee must review and approve COPL's hiring policies regarding partners, employees and former partners or employees of the present or former external auditor of COPL.