

Canadian Overseas Petroleum Limited

10:27 28 Oct 2020

Canadian Overseas Petroleum refinanced and carried on drilling at OPL 226

What it owns

Canadian Overseas Petroleum Limited's (LON:COPL) affiliate ShoreCan owns its interest in the OPL 226 licence, offshore Nigeria.

An agreement in June saw ShoreCan transfer 70% of its stake in Essar Nigeria to Essar Mauritius in return for an end to the legal action brought by the Indian conglomerate.

Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226, which lies 50 kilometres offshore in the central area of the Niger Delta.

Through the agreement, Essar Mauritius will grant Shorecan a 10% carried interest (capped at US\$5m net) on all costs relating to the drilling of a first appraisal well at OPL 226.

This is an option to increase this stake to 30%.

Essar Nigeria will also now seek an extension of the production sharing contract for OPL 226 beyond the current term that ends on September 30.

In October, COPL said that the deadline date for completion of the settlement had been extended to until January 29, 2021, due to COVID-19 disruption and restrictions.

Historically, five wells have been drilled, with the first oil discovery on the Block made in 2001 in the fifth well (Noa-1) after earlier drilling encountered predominantly gas-bearing sands.

How It's doing

COPL's share price has rocketed since the junior oiler reached the settlement in principle with partner Essar in their dispute over OPL 226, with the company now carried on an appraisal well.

The company has also refinanced itself through two placings to raise £1.2m in addition to a US\$2m equity funding facility.

What the boss says

"The attractiveness of working offshore Nigeria is that its home to some of the best reservoirs in the world, so the economics are very good," Arthur Millholland, chief executive

Inflexion points

- Short-term finance arranged

Price: 0.1793

Market Cap: £8.74 m

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: COPL

Listing: LSE

52 week High Low
0.599 0.031

Sector: Oil & Gas

Website: www.canoverseas.com

Company Synopsis:

Canadian Overseas Petroleum Limited is a junior oil and gas company focused in Sub-Saharan African. The company is headquartered in Calgary, Canada. Our shares trade on the London Stock Exchange ("COPL") and on the Canadian Securities Exchange ("XOP"). Our team of highly skilled geologists and engineers have years of experience in the UK basin, West Africa, and a variety of regions throughout the globe.

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- **Appraisal work starts at OPL 226**
- **Finance partner is found and terms agreed**

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