

Canadian Overseas Petroleum Limited

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Canadian Overseas Petroleum formally settles Essar dispute

Canadian Overseas Petroleum Limited (LON:COPL) says its 50% owned joint venture ShoreCan has executed definitive agreements with Essar (Mauritius) to resolve their dispute over the OPL 226 block in Nigeria.

Each party will bear their own costs of the legal actions.

ShoreCan will return 70% of the shares in Essar Nigeria to Essar Mauritius in return for a 10% carried interest (capped at US\$5mln net) on all costs for a first well at OPL 226

It will also have the option to increase its shareholding in Essar Nigeria from 10% to 30% by paying 20% of historic expenditures of Essar Nigeria.

A loan agreement with Essar Nigeria will also recognise the historic expenditures by ShoreCan on behalf of Essar Nigeria as a shareholder loan.

Essar Nigeria has applied to the concessionaire and the regulator for an extension of the exploration period under the OPL 226 PSC beyond the current term ending September 30, 2020.

Arthur Millholland, COPL's CEO, said: "The execution of these definitive agreements is the first step in the transformation of the company.

"This is a tremendous asset and our interest in it is appropriate for this time in the business cycle.

"Going forward there are opportunities available to COPL at low entry costs as a result of the drop in oil prices due the COVID-19 pandemic.

"We are evaluating these with the view of adding opportunities which offer near term production and cash flow with good economics during this period of low oil prices."

Price: 0.2625

Market Cap: £25.35 m

1 Year Share Price Graph



January 2020 July 2020 January 2021

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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