

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

**Canadian Overseas Petroleum Limited
Suite 3200, 715 – 5th Avenue SW
Calgary, Alberta T2P 2X6
(403) 262-5441
www.canoverseas.com**

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

N/A

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

N/A

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input checked="" type="checkbox"/> Oil and gas |
| <input type="checkbox"/> securitized products issuers | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Other (describe) |
| <input type="checkbox"/> Industrial | |

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

May 3, 2016 and May 9, 2016

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

Units

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

101,066,868 Units. Each Unit is comprised of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.095 per Common Share at any time prior to 4:30 p.m. (Calgary time) on or before May 3, 2018 for those holders who acquired Units on May 3, 2016 and at any time prior to 4:30 p.m. (Calgary time) on or before May 9, 2018 for those holders who acquired Units on May 9, 2016.

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

N/A

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	16	\$0.07	\$729,288.77
British Columbia	37	\$0.07	\$828,500.05
Ontario	39	\$0.07	\$2,595,161.94
Quebec	2	\$0.07	\$24,500.00
United States of America	94	\$0.07	\$1,678,250.00
International	15	\$0.07	\$1,218,980.00
Total number of Purchasers	203		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$7,074,680.76

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers

Instructions

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Bambara Capital Corp. Attn: James T. Gillis 432 Royal Avenue Kamloops, BC V2B 3P7 250-574-5011		200,000 Units	\$14,000.00	Section 2.3 of NI 45-106	2016-05-03
501689 BC Ltd. Attn: Gordon Groundwater 60 Glenmore Drive West Vancouver, BC V7S 1A8 604-926-2544		500,000 Units	\$35,000.00	Section 2.3 of NI 45-106	2016-05-03
811155 Alberta Inc. Attn: Aubrey Shores 217 Forest Crowne Close Kimberley, BC V1A 3N2 403-809-3499		100,000 Units	\$7,000.00	Section 2.3 of NI 45-106	2016-05-03
Pipeline Church Attn: Clifford Horwood 3rd Floor, 710 Redbrick Street Victoria, BC V8T 5J3 250-743-2925		300,000 Units	\$21,000.00	Section 2.3 of NI 45-106	2016-05-03
McFarlane Investments Attn: Ian McFarlane 2293 Douglas Road Burnaby, BC V5C 5A9 604-298-8789		200,000 Units	\$14,000.00	Section 2.3 of NI 45-106	2016-05-03

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Dundee Securities Ltd. 350 – 7 th Avenue SW, Suite 3600 Calgary, Alberta T2P 3N9	(R)	\$365,624.40	5,223,206 Broker Warrants ¹	\$0.07	Section 2.3 of NI 45-106 2016-05-03	\$365,624.40

Note 1: Each Broker Warrant entitles the holder to purchase one Common Share of the Company at an exercise price of \$0.07 per Common Share. The Broker Warrants will expire on May 3, 2018.

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Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: May 12, 2016

Canadian Overseas Petroleum Limited
Name of issuer (please print)

Arthur Millholland, President and Chief Executive Officer;
403-262-5441
Print name, title and telephone number of person signing

(signed) "Arthur Millholland"
Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393
Facsimile: (604) 899-6581