

Completion of sale of North Dakota Project

Find attached announcement.

Attachment:

1. **GAS - Announcement completion of Sale of CO USA Inc**

Non Regulated

Publication Date: 08/04/2020

8th April 2020
Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Re: Conclusion of the Sale of the Company's Subsidiary, Conducting the Activity in North Dakota, USA

Pursuant to the announcement of C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") dated 6th April 2020 regarding the sale of Cyprus Opportunity Energy Inc ("CO USA Inc."), the Company would like to inform the investing public that the sale of CO USA Inc. has been concluded and hereby provides additional information in accordance with paragraph 5.2.1.17(7) of RAA 379/2014, as follows:

(ii) the history of the company being sold and the financial facts of the past years.

CO USA Inc. was fully owned by the Company, through C.O. Cyprus Opportunity Petroleum Limited, a private company registered in Cyprus ("CO Sub"). CO USA Inc. was incorporated in Delaware, USA on 10 July 2017, with the sole purpose to engage in oil and gas exploration, production and commercialization in North Dakota, USA, on behalf of the Company, and in so doing, to create revenue for the Company. Following its incorporation, CO USA Inc. participated and acquired rights in oil and gas assets in North Dakota, USA (the "Project") on behalf of the Company via the Farmout Agreement which had been announced by the Company on the 27th of June 2017.

The below information is a synopsis of CO USA Inc.'s key historic financial information:

	2017	2018
<i>(In US Dollars \$)</i>		
Revenue	26.000	93.000
Cost of Goods	(28.000)	(102.000)
Gross Profit	(2.000)	(9.000)
Operating expenses	(11.000)	(27.000)
Financial expenses	(3.000)	2.000
Net loss for the year	(16.000)	(34.000)

The 2019 results of CO USA Inc. are unavailable at the time of this announcement. However, the Company notes that, pursuant to its announcement dated 31 March 2020 regarding the production results as reflected in Israel Opportunity – Energy Resources, LP's annual statements for the year 2019, the works performed and capitalized to the existing wells of the Project were impaired.

(iii) The type and amount of the consideration and its method of payment.

The total consideration of USD 1000 has been transferred to the Company by the Buyer via wire transfer for the purchase of CO USA Inc. as per the SPA.

(iv) Any goodwill or profit or loss and the accounting treatment method.

The sale of CO USA Inc. has caused a loss to the Company of approximately 250,000 USD which will be recognised in the consolidated financial statements of financial year 2020 as a "Loss on the sale of a subsidiary". At this stage, the company's 2019 financial statements haven't been finalized yet, so this amount most probably will change.

(v) If the transaction relates to or affects interests of the issuer's Secretary or of a "designated person" in accordance with the meaning given to the aforementioned term in article 137(3) of the Law along with reference to the relation that the designated person has with the transaction, the counterparties or the persons mediating for its execution.

The sale of the CO USA Inc. does not relate to or affect interests of the Company's Secretary or of any "designated person" in accordance with the meaning given to the aforementioned term in article 137(3) of the Cyprus Securities and Cyprus Stock Exchange Laws of 1993 – 2007 (as amended).

(vi) Statement that the transaction is executed on a purely commercial basis.

The sale of the CO USA Inc. was executed on a purely commercial basis, taking into consideration the factors mentioned above.

(viii) The anticipated effect on its prospects or results.

Following the sale of the CO USA Inc., the Company has no more revenue producing activities. At the time of this announcement, and taking into consideration the tumultuous time the global oil industry is facing due to current COVID-19 pandemic, the Directors of the Company are deliberating on the way forward for the Company. The Company will proceed with a relevant announcement to the investing public when a resolution substantially expected to affect the future of the Company is adopted.

Kind regards,

Rony Halman

Chairman of C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED