



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Closes Liberia LB-13 Transaction

Calgary, Canada, April 5, 2013 – Canadian Overseas Petroleum Limited (“COPL” or “the Company”) (TSX-V: XOP), is pleased to announce the Closing and completion of the previously announced transactions between the Company’s wholly owned subsidiary Canadian Overseas Petroleum Bermuda Limited (“COPLB”), first with Peppercoast Petroleum plc, and second with ExxonMobil Exploration and Production Liberia Limited (“ExxonMobil”). COPL now has a 20% working interest in Block LB-13, with ExxonMobil the operator, having an 80% working interest.

The Closing of the transaction follows the ratification of the Production Sharing Contract by the Liberian Legislature, consisting of the Senate and the House of Representatives, which ratified the Contract without making any amendments.

Mr. Arthur Millholland, President and CEO of COPL commented, “We are very pleased to be announcing the Closing of this transaction for the Block LB-13 PSC. This is a significant step in realising the great opportunity for our shareholders and the citizens of Liberia. We look forward to working with ExxonMobil to move the project forward as we plan the exploration activities offshore Liberia.”

About the Company

COPL is an oil and gas exploration company focused on oil prospects in the offshore West African continental margin and shale oil prospects onshore New Zealand. COPL’s Common Shares are listed under the symbol “XOP” on the TSX Venture Exchange.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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Notes to Editors

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About Block LB-13

Block LB-13 covers an area of approximately 2,500 square kilometres. The Block is governed by a PSC originally having an 8-year term that commenced in May 2007. The original PSC was divided into three phases of 4 years, 2 years and 2 years respectively. The second and third phases of the PSC require the drilling of a well in each phase. The Restated and Amended Production Sharing Contract ratified by the Liberian Legislature and effective April 1, 2013 ('the Effective Date') has amended the second phase of the PSC to 3 years, with the third phase remaining at 2 years. The second phase continues to require the drilling on one (1) well and commenced on the Effective Date.

In 2010, 2,200 square kilometres of long offset 3D seismic was shot to evaluate the oil potential of deep-water Cretaceous sands analogous to the recent deep-water oil discoveries offshore Ghana and Sierra Leone. Reviews of the seismic data conducted internally by the Company, and externally by independent reserve evaluators DeGolyer and MacNaughton ("D&M"), have identified the potential for a number of Cretaceous turbidite sand stratigraphic traps on the Block that possess strong seismic AVO anomalies and other direct hydrocarbon indicators which possibly suggest the presence of hydrocarbons.

At the request of the Company, D&M has prepared an independent report in accordance with National Instrument 51-101 evaluating the Prospective Resources attributed to Block LB-13 ("the Report"). In the Report dated June 7, 2012, Gross Prospective Oil Resources recoverable are estimated to be the following: P90, 1.797 billion Bbls; P50, 2.643 billion Bbls; P10, 4.238 billion Bbls; PMean, 2.851 billion Bbls. The prospective resources estimates presented are based on the statistical aggregation of the prospects evaluated. It should be noted that there is no certainty that any portion of the Gross Prospective Oil Resources estimated in the Report will be discovered, or if discovered, will be commercially viable to produce any portion of the prospected resources evaluated.

Forward Looking Statements

This press release may contain forward-looking statements based on COPL's current expectations and assumptions as to a number of factors including weather, regulatory approvals and general economic and industry conditions. If those expectations and assumptions prove to be incorrect, or factors change, then actual results could differ materially from the forward-looking statements contained in this press release.

Generally, statements included in this press release that address activities, events or developments that COPL expects, believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond COPL's control, including: the fact that the completion of the transactions with Peppercoast and ExxonMobil are subject to conditions that may not be satisfied or waived, the impact of general economic conditions in the areas in which COPL operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining

required approvals of regulatory authorities. In addition there are risks and uncertainties associated with the oil and gas industry, therefore COPL's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amounts of proceeds, which COPL will derive therefrom. Such statements are based on assumptions made by COPL based on its experience perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances.