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CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Closes Common Share Offering for \$6.0 Million

Calgary, Canada, July 25, 2013 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (TSX-V: XOP), has closed its previously announced marketed offering (“the Offering”) of common shares (“Common Shares”) in the capital of the Company. Pursuant to the offering, the Company issued an aggregate 30,000,000 Common Shares at \$0.20 per share for aggregate gross proceeds of \$6.0 million.

COPL’s President and CEO, Arthur Millholland, commented: “For a junior oil company to raise \$6.0 million in such a difficult time for the natural resource sector strongly reflects the confidence our investors have in the Company’s management team and the assets in Liberia and New Zealand. We continue to evaluate projects that will allow us to develop COPL into a successful exploration and production company.”

The Offering was led by FirstEnergy Capital Corp. on behalf of a syndicate of agents including Canaccord Genuity Corp. and GMP Securities L.P.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any sale of the Common Shares in any jurisdiction in which such offer, solicitation or sale may be unlawful. The Common Shares have not been and will not be registered under the United States Securities Act of 1933 (the “1933 Act”) or any U.S. state securities laws and may not be offered or sold in the United States absent registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act and applicable U.S. state securities laws.

About the Company

COPL is an international oil and gas exploration and development company focused on oil and gas exploration activities offshore of the Republic of Liberia. In 2013, the Company acquired an interest in a production sharing contract from the government of the Republic of Liberia that includes a world class exploration project in the West Africa Transform margin and provides the partners the exclusive right to explore for and develop the resources within. COPL also has acquired exploration acreage with shale oil potential on the north island of New Zealand.

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 timing of completion of the Offering, the aggregate gross proceeds of the Offering, regulatory approvals in connection with the Offering, the use of proceeds of the Offering and general economic and industry conditions. If those expectations and assumptions prove to be incorrect, or factors change,



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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 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.

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