



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Makes Oil Discovery at Fulla

Calgary, Canada, August 24, 2011 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: TSX-V) has made an oil discovery at its Fulla exploration prospect in Block 206/5a in the Atlantic Margin of the UK North Sea in the West of Shetlands region. The well encountered a gross oil column of 133 feet that includes a net oil column estimated at 45 feet. The average porosity was estimated to be 21% in the gross reservoir. Additional detailed analysis is being conducted in the laboratory on oil samples taken from the well. Once the final well analysis has been completed, COPL and its co-venturer will discuss development options that include the Freya discovery made in 1980, which is located in the adjoining Block 206/10a. COPL owns a 50% equity interest in both blocks that include the Fulla and Freya discoveries, and Faroe Petroleum plc, the operator, owns the remaining 50%. The Fulla well spudded July 6, 2011 and was drilled to a total depth of 7,711 feet and was targeting oil in the Clair and Whiting reservoir sands.

Arthur Millholland, President and CEO of COPL, commented: “Fulla was the first of six exploration wells the Company plans to initially drill in the UK offshore, and it is great to discover oil on the first one. We look forward to discussions with Faroe about the next steps for Fulla and Freya, and also the wells to be drilled in the Esperanza and Bluebell prospects this autumn.”

About the Company

COPL is an oil and gas exploration company focused in the UK North Sea, and the offshore Liberian and Brazilian continental margins. COPL’s Common Shares are listed under the symbol “XOP” on the TSX Venture Exchange.

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



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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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