



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Drilling Vessel On Site at UK North Sea Esperanza Prospect

Calgary, Canada, October 4, 2011 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: TSX-V) announces that operations at the Company’s Esperanza prospect located in Block 22/15 of the UK Central North Sea have been initiated. The Ocean Nomad semi-submersible drilling rig is on location and currently waiting for weather to pass for the commencement of drilling operations.

The Esperanza 22/15-D well is the first well drilled by the Company under its UK North Sea Joint Venture with BG Group (“BG”). COPL has an agreement whereby the Company will acquire a right to purchase a 50% equity interest in the entire block, including the Banks discovery, by paying an amount equal to 75% of the costs to drill the Esperanza well. Within 120 days of rig release from the Esperanza well, COPL may exercise such right upon paying an additional US\$15 million. BG is the operator of the block.

With the 22/15-D well COPL is targeting light oil in the Paleocene Forties sand. The well is located on a strong, far-offset amplitude (AVO) anomaly at the northwest end of an 11 km long turbidite channel AVO anomaly that includes the Banks discovery to the southeast. BG discovered the Banks oil accumulation in 2005, which tested 39° oil at 1,080 bbls/d and gas at 12.5 MMcf/d from perforations across the gas/oil contact.

About the Company

COPL is an oil and gas exploration company focused in the UK North Sea, and the offshore West African continental margin. 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 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,



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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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