



Canadian Overseas Petroleum Files Preliminary Prospectus

Calgary, Canada, October 29, 2010 – Canadian Overseas Petroleum Limited (“**COPL**” or the “**Company**”) (TSXV: **XOP**), has filed a preliminary prospectus with the securities regulatory authorities in each of the provinces of Canada other than Quebec in connection with a best efforts offering (the “**Offering**”) of a minimum of \$60 million of subscription receipts (“**Subscription Receipts**”) of the Company. When the Company has met specified release conditions, the proceeds of the Offering will be released to the Company and each Subscription Receipt will be automatically converted into one common share (“**Common Share**”) and one-half of one common share purchase warrant (each whole warrant a “**Warrant**”). The Warrants will be priced at a 30% premium to the Offering price, and each whole Warrant will entitle the holder to acquire one Common Share until the date that is three years after the closing date.

Canaccord Genuity Corp. will act as the selling agent. The maximum size of the Offering and price of the Subscription Receipts will be determined once the Company and the Agent conclude marketing activities, with closing currently anticipated to occur on or about December 7, 2010. The Company has applied to list the Subscription Receipts on the TSX Venture Exchange (“**TSXV**”), and expects that the Subscription Receipts will be listed and posted for trading at closing subject to obtaining any requisite approvals.

The funds will be used to fulfill the terms of farm-in agreements in conjunction with the previously announced Letters of Intent (“**LOIs**”) and an Exclusivity Letter made by COPL’s wholly owned subsidiary, Canadian Overseas Petroleum (UK) Limited. The LOIs and the Exclusivity Letter are for exploration and appraisal properties in the UK North Sea. One LOI would allow the Company to earn a 50% equity interest in two blocks; the other LOI would allow the Company to earn a 40% equity interest in the Bluebell prospect in Blocks 15/24c and 15/25f; and the Exclusivity Letter is for several prospects in Block 23/21 and prospects in Block 22/15. The LOIs and the Exclusivity Letter are subject to certain conditions precedent including financing and regulatory approvals in Canada and the UK.

The Offering is subject to certain conditions including, but not limited to, the execution of a definitive agency agreement with the Agent and the receipt of all necessary approvals, including the approval of the TSXV and the applicable securities regulatory authorities. The filed preliminary prospectus can be viewed at www.sedar.com under the COPL listing.

About the Company

COPL’s shares are listed for trading on the TSXV under the symbol “**XOP**”.

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 the Offering, success of the Offering, listing of the Subscription Receipts, use of proceeds of the Offering, access to capital, regulatory approvals, intended acquisitions 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, 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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