Canadian Overseas Petroleum Signs Agreement with ExxonMobil for Offshore Liberian Block

Calgary, Canada, November 16, 2011 – Canadian Overseas Petroleum Limited ("COPL" or "the Company") (TSX-V:XOP) is pleased to announce that Canadian Overseas Petroleum (Bermuda) Limited ("COPL B"), a wholly owned subsidiary of the Company, has signed an Asset Acquisition Agreement with ExxonMobil Exploration and Production Liberia Limited ("ExxonMobil"), a wholly owned subsidiary of the ExxonMobil Corporation, with respect to the onward sale of certain of the interests in Block LB-13 offshore Liberia which, as previously announced on May 18, 2011, COPL B has agreed to acquire from the current owner.

Under the terms of the sale, which is subject to the approval of the National Oil Company of Liberia ("NOCAL") and the Government of Liberia and to the satisfaction or waiver of other closing conditions, ExxonMobil will acquire a 70% interest in the Production Sharing Contract ("PSC") governing Block LB-13 immediately following COPL B's acquisition of a 100% interest from the current owner. In return, ExxonMobil will pay COPL B US$55 million and pay COPL B's portion of the first well to be drilled on Block LB-13 to a maximum of US$36 million. If less than US$36 million is spent on COPL B's proportionate cost for the first well, the balance will be applied towards COPL B's costs of a second well if drilled. Additionally, ExxonMobil will pay COPL B's share of joint venture costs estimated at approximately US$6 million up to the completion of the first well. COPL B's equity interest in the PSC (Block) will be 30% upon closing and ExxonMobil will be the PSC's (Block's) designated operator.

The approval of NOCAL and the Government of Liberia is still required for the original proposed acquisition of Block LB-13 by COPL B from its current owner. Discussions are ongoing between the current block owner, COPL, the Government and NOCAL but consent has not yet been forthcoming, and there is no assurance that such consent will be granted.

As previously announced, COPL and COPL B have agreed with the current owner, subject to certain conditions being satisfied or waived, to pay a purchase price of US$85 million for a 100% interest in LB-13. The purchase price is to be satisfied by between US$45 million and US$50 million in cash and the remainder through the issuance of common shares of COPL priced at US$0.5473 per share.

If the minimum amount of cash is paid on closing, COPL will be required to issue 71,428,908 common shares representing approximately 25% of the number of COPL common shares currently outstanding. If the maximum amount of cash is paid on closing, COPL will be required to issue 62,500,295 common shares representing approximately 22% of the number of COPL common shares currently outstanding.

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Block LB-13 covers an area of approximately 2,400 square kilometres. The Block is governed by a PSC having an 8-year term that commenced in May 2007. The PSC is 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 second phase of the PSC commenced in May 2011.

In 2010, 2,200 square kilometers 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, Gross Prospective Oil Resources recoverable are estimated to be the following: P_{90}, 1.359 billion Bbls; P_{50}, 2.314 billion Bbls; P_{10}, 3.829 billion Bbls; P_{Mean}, 2.489 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.

Arthur Millholland, President and CEO of COPL, commented: "We are very pleased to work with ExxonMobil on this project. Offshore West Africa is an exciting region for oil exploration, and though lightly explored to this point, we believe the Liberian basin holds tremendous promise. We look forward to partnering with the Liberian government and NOCAL to invest in and progress the developing oil and gas industry within the country. Based upon our interpretation of the seismic data for the block, we think LB-13 could be the catalyst for the people of Liberia and for COPL as an international oil company."

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 conditions to the closing of the Asset Acquisition Agreement may never 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.

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