



## Canadian Overseas Petroleum Closes \$130 Million Offering

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**Calgary, Canada, December 1, 2010** – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (TSX-V: XOP), has today closed its best efforts offering (the “Offering”) of subscription receipts (“Subscription Receipts”) of the Company. The Offering was for 260,000,000 Subscription Receipts at \$0.50 per Subscription Receipt for total gross proceeds of \$130,000,000. Canaccord Genuity Corp. acted as sole agent in connection with the Offering.

The TSX Venture Exchange has approved as a new listing the Subscription Receipts under the symbol XOP.R, which will begin trading as of the opening of the markets on December 1, 2010. The transfer agent for the Subscription Receipts is Computershare Trust Company of Canada.

Each Subscription Receipt entitles the holder to one (1) common share (“Common Share”) and one-half of one (0.5) common share purchase warrant (each whole warrant, a “Warrant”) of COPL upon the satisfaction of certain release conditions as set out in the prospectus. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.65 for a period up to 36 months after the closing date. The Warrants will not be listed for trading and are subject to cancellation if not exercised within 10 days of receipt of notice from COPL that the 20 day volume weighted average price of Common Shares on the TSX Venture Exchange is greater than \$1.25.

Upon release, the funds from the Offering 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 farming-into exploration and appraisal properties in the UK North Sea. The LOIs and the Exclusivity Letter are subject to certain conditions precedent including financing and regulatory approvals in Canada and the UK.

For further information, please refer to the Company’s Long Form Prospectus, dated November 23, 2010, which can be found at [www.sedar.com](http://www.sedar.com) under the Company’s heading.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. person absent an exemption from the registration requirements of such Act.



## **About the Company**

COPL's Common Shares are listed under the symbol "XOP", and the Subscription Receipts under the symbol "XOP.R", both of which trade 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 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.

## **For Further Information Please Contact:**

Mr. Arthur Millholland, President and CEO

Phone: 403.262.5441

Or,

Rob Elgie, Manager of Investor Relations

Phone: 403.262.5441

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