



CANADIAN OVERSEAS PETROLEUM LIMITED

NOCAL Approves Revised Production Sharing Contract for Block LB-13 Offshore Liberia; Canadian Overseas Petroleum Revises Agreements with Peppercoast Petroleum and ExxonMobil

Calgary, Canada, March 8, 2013 – Canadian Overseas Petroleum Limited (“COPL” or “the Company”) (TSX-V: XOP), and its wholly owned subsidiary, Canadian Overseas Petroleum Bermuda Limited (“COPL Bermuda”), is pleased to announce that a Restated and Amended Production Sharing Contract (“PSC”) for Block LB-13 offshore Liberia has been agreed with ExxonMobil Exploration and Production Liberia Limited (“ExxonMobil”) and the National Oil Company of Liberia (“NOCAL”). The President of Liberia, Mrs. Ellen Johnson Sirleaf, has approved and signed the appropriate paperwork related to the PSC so that it can be sent to the Liberian Legislature for a ratification vote. The terms of the PSC will take effect once ratification has occurred and the PSC is enacted into law. Completion of the transactions contemplated is expected to occur shortly after ratification and remain subject to a number of conditions.

In addition, certain terms of the previously announced purchase agreements between COPL, COPL Bermuda, and Peppercoast Petroleum plc (“Peppercoast”), and between COPL Bermuda and ExxonMobil have been amended. COPL Bermuda and ExxonMobil have amended the Asset Purchase Agreement announced November 16, 2011 such that COPL Bermuda will now have a 20% working interest in Block LB-13 and ExxonMobil as operator will have an 80% working interest. ExxonMobil will continue to pay COPL Bermuda’s working interest portion of drilling expenses for the first \$120 million of gross drilling costs committed under the PSC, and COPL Bermuda’s share of joint venture costs up to the completion of those operations. As part of the new arrangements, the payment terms as between COPL Bermuda and Peppercoast have also changed from the agreement announced in May 2011.

The new arrangements call for the completion of the acquisition of the original Production Sharing Contract by COPL Bermuda to be funded by NOCAL such that NOCAL shall pay the obligations of COPL Bermuda to Peppercoast. Following that transfer, the ExxonMobil affiliate will pay to NOCAL (1) all funds previously owed to COPL Bermuda under the Asset Purchase Agreement, and (2) on behalf of COPL Bermuda and the ExxonMobil affiliate, all amounts owed by COPL Bermuda and the ExxonMobil affiliate to the Government of Liberia on account of the issuance of the PSC. Upon that payment, the PSC shall be owned 20% by COPL Bermuda and 80% by the ExxonMobil affiliate. All payments will follow the approval by the Legislature of the Republic of Liberia of these arrangements to assure transparency and compliance with law.



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As a result of these changes, COPL will no longer issue any shares to Peppercoast to complete the transaction. Further, other than legal costs, usual closing costs and on-going fees under the PSC, COPL and COPL Bermuda will have no net cash outlay or cost in connection with the closings other than forgiveness of accounts receivable related to the \$15 million 3D seismic license fee owing by Peppercoast to COPL and other inter-company amounts and \$7 million of fees payable to the Government of Liberia.

Mr. Arthur Millholland, President and CEO of COPL commented, “We are very pleased to have been able to reach agreement with representatives from the Government of Liberia, NOCAL and ExxonMobil for an amended PSC for Block LB-13, and believe that this represents a great opportunity for our shareholders and the citizens of Liberia. The revised Sale and Purchase Agreement with Peppercoast and the revised Asset Purchase Agreement with ExxonMobil provide a low risk method for our involvement in Block LB-13. We look forward to working with ExxonMobil to begin planning exploration activities offshore Liberia.”

About the Company

COPL is an oil and gas exploration company focused on oil prospects in the offshore West African continental margin and shale oil prospects onshore New Zealand. 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 fact that the completion of the transactions with Peppercoast and ExxonMobil are subject to conditions that may not 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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