



Canadian Overseas Petroleum to Acquire Additional Interests in the UK North Sea

Calgary, Canada, June 7, 2011 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (TSX-V: XOP), through its wholly owned subsidiary, Canadian Overseas Petroleum (UK) Limited, has signed a farm-in agreement with SSE E&P UK Limited (“SSE”) whereby COPL will pay SSE’s 16.67% share of the total drilling costs in the Lower Toad, Newt and West Columbus exploration prospects to earn 50% of SSE’s working interest in these prospects. Under certain conditions, COPL would have the same farm-in terms with SSE for the Upper Toad appraisal prospect also.

The Lower Toad, Newt and West Columbus exploration prospects and the Upper Toad appraisal prospect are all located in Block 23/21 of the UK North Sea. COPL’s farm-in agreement with SSE was made in conjunction with certain amendments to the agreement signed in February 2011 between COPL and BG International concerning the same prospects. Among such amendments is a firm well, rather than a contingent well, to be drilled in the West Columbus prospect. COPL’s budget for its drilling program in Block 23/21 will not be impacted by the amended agreement with BG International. As a result of the agreements with SSE and BG International, COPL’s total working interest in each prospect will be 50% upon completion of drilling in the particular prospect.

COPL plans to participate in the drilling of at least 6 wells during the next 15 months in the North Sea with a variety of co-venturers based on farm-in agreements signed in December 2010 and February 2011.

About the Company

COPL is an oil and gas exploration company focused in the UK North Sea, offshore Brazil and offshore West Africa. It operates in the United Kingdom through its wholly owned subsidiary, Canadian Overseas Petroleum (UK) Limited, a company registered under the laws of England and Wales. COPL’s Common Shares are listed 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 regulatory approvals, drilling intentions 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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