



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Continues Discussions for Closing the Acquisition of Offshore Liberian Block

Calgary, Canada, June 30, 2011 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (TSX-V: XOP) has been informed by Peppercoast Petroleum plc (“Peppercoast”) that discussions continue with The National Oil Company of Liberia (“NOCAL”) and the Government of Liberia regarding the requisite approval for the closing of the Sale and Purchase Agreement of Block LB-13 offshore Liberia from Peppercoast to COPL. Given the complexities involved in this process, closing of the transaction is anticipated to occur within Q3 2011 assuming the requisite approvals can be obtained. The Company had previously stated that the transaction was expected to close on or about June 30, 2011.

Block LB-13 (the “Block”) covers an area of approximately 2,400 square kilometres and is adjacent to Blocks LB-14 and LB-12 held by a supermajor oil company. The Block is governed by a Production Sharing Contract (“PSC”) having an 8 year term that commenced in May 2007. The PSC is divided into 3 phases of 4 years, 2 years and 2 years, respectively. Phase 1 was completed by Peppercoast in May of this year. Phase 2 and 3 of the PSC requires the drilling of one well per Phase.

COPL has acquired a Licence to 2,023 square kilometres of 3D seismic covering the Block, which was shot in the first quarter of 2010 to evaluate the oil potential of deep water Cretaceous sands analogous to the deep water oil discoveries offshore Ghana and Sierra Leone. A number of drilling prospects have been identified on the Block from the interpretation of the 3D seismic by Peppercoast and the Company. These prospects are under an ongoing technical evaluation to finalize a primary drilling location. Planning for the Phase 2 commitment well has been initiated by the Company’s Aberdeen, Scotland based drilling team.

In the UK, the drilling vessel WilPhoenix has arrived on location at the Fulla exploration prospect and is undergoing final preparations and regulatory procedures prior to drilling. This will be COPL’s first well in the UK. Wells in the Bluebell and Esperanza exploration prospects are planned for the third quarter of 2011.



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About the Company

COPL is an oil and gas exploration company focused in the UK North Sea, and the offshore West African and Brazilian Continental margins. 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 access to capital, regulatory approvals, drilling intentions, intended acquisitions, 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 closing of the SPA is subject to various conditions precedent some or all of which 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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