



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Commences Drilling the First well in its 2011 UKCS Drilling Program

Calgary, Canada, July 7, 2011 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: TSX-V) announces that drilling activities have begun on the first well in its 2011 UKCS drilling program at the Fulla exploration prospect in the West of Shetlands region of the UK Atlantic Margin. Fulla is situated along the same structural trend immediately to the northeast of the Freya oil discovery and the Clair oil field. COPL is paying 60% of the drilling costs to earn 50% equity interests in both Fulla and Freya. The well is targeting oil in the Clair Devonian sands. Drilling operations are estimated to take 30 to 40 days depending on certain conditions including weather.

The Fulla well is the first of six wells the Company will be drilling in the UKCS throughout the second half of 2011 and into 2012. Later in the third quarter, the Company will focus on its Central North Sea projects with the drilling of wells at its Esperanza prospect located in Block 22/15, and Bluebell located in Blocks 15/25a and 15/24a. The program will continue in the fourth quarter and into 2012 with wells to be drilled on the West Columbus, Newt, and Lower Toad prospects, all of which are located in the UK Central North Sea in Block 23/21.

About the Company

COPL is an oil and gas exploration company focused in the UK North Sea, and the offshore Liberian and Brazilian continental margins. 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 impact of general economic conditions in the areas in which COPL operates, civil unrest,



WWW.CANOVERSEAS.COM

3200 715 5th Avenue SW
Calgary, Alberta, Canada T2P 2X6
403.262.5441 P
403.263.3251 F

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

Or

Pelham Bell Pottinger Public Relations
James Henderson, Managing Director or Mark Antelme

Phone: +44 207 861 3160

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