



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Updates BG Dispute

Calgary, Canada, October 17, 2012 – Canadian Overseas Petroleum Limited ("COPL" or the "Company") (TSXV: XOP) provides an update on its ongoing dispute with BG International Limited ("BG") in relation to Block 22/15 and Block 23/21 in the North Sea. On October 12, 2012, the High Court of Justice in England heard an application brought by BG to direct JPMorgan Chase Bank, as escrow agent, to release approximately \$16.1 million of escrowed funds to BG pending resolution of the underlying dispute between the parties. COPL's UK subsidiary opposed the application on the basis that the escrow agent had exercised its discretion to retain the funds until the underlying dispute between COPL and BG was determined by a court. The High Court ruled in favour of BG on the narrow grounds of the wording in the escrow agreement. The ruling does not concern the underlying dispute between the parties.

COPL has until 2 November 2012 to seek leave to appeal the ruling should it decide to do so.

About the Company

COPL is an oil and gas exploration company focused in the offshore West African continental margin and the UK North Sea. COPL's Common Shares are listed under the symbol "XOP" on the TSX Venture Exchange.

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