



CANADIAN OVERSEAS PETROLEUM LIMITED

Canadian Overseas Petroleum Common Share Offering

Calgary, Canada, May 25, 2017 – Canadian Overseas Petroleum Limited (“COPL” or the “Company”) (XOP: TSX-V) & (COPL: LSE), is pleased to announce a Common Share offering to raise gross proceeds of £3.25 million (the “**Placing**”), pursuant to which the Company will issue 650,000,000 new common shares (“**Placing Shares**”) at a price of 0.5 pence per Placing Share. Management, including Arthur Millholland, President & CEO, representing approximately 3% of the existing share capital of the Company, and certain existing shareholders, plan to participate in the Placing for an amount approximately equal to their proportionate current holdings in the Company.

Full details of the Placing will be included in the Prospectus filed with the UK Listing Authority, which is expected to be published later today and be available on SEDAR and the Company's website, <http://canoverseas.com> (subject to certain access restrictions), shortly thereafter.

The Company intends to use the net proceeds of the Placing to fund the Company's on-going general and administrative expenses which principally covers a full technical team including geologists, a geophysicist, reservoir engineers, a drilling engineer and in-house Counsel, which are approximately US\$385,000 per month, as the Company seeks to progress its projects in West Africa.

The Company's other financial commitments for the 12 month period, following the date of the Prospectus, include 50% of the costs relating to Shoreline Canadian Overseas Petroleum Development Corporation's (“**ShoreCan**”) commitment to invest funds in the form of an interest-free shareholder loan to be used for its 80% owned Essar Nigeria operations. In particular, to cover the near term work programme obligations, including drilling one well under Phase-1 of the OPL 226 Production Sharing Contract. As previously announced the Company has engaged COFARCO SAS of Paris France and Zeus Capital of London United Kingdom to source the required funds at the project level.

The Placing is subject to customary conditions and the receipt of required regulatory approvals, including the approval of the LSE and the TSX Venture Exchange (the "TSX-V"). Application has been made for the Placing Shares to be admitted to trading on the Main Market and are expected to be admitted to trading on 12 June 2017.

Mr. Arthur Millholland, President and CEO commented: "The Company is focused on securing project financing for its oil appraisal and development project offshore Nigeria in OPL 226 held through its 50% owned subsidiary ShoreCan's 80% shareholding in Essar Exploration and Production Limited Nigeria. COPL provides management and technical services to ShoreCan and Essar Nigeria. The net proceeds of the Placing will provide the Company with additional working capital as we look to execute on our business plan."



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"Whilst we were disappointed with the initial drill results from the Liberian Mesurado-1 well drilled in December, we are nearing the end of our re-interpretation of the 2,500 sq. kilometre LB-13 3D seismic data set through the incorporation of the drilling results into an updated seismic interpretation. This involves a reappraisal of the seismic attributes previously interpreted to be possibly associated with hydrocarbons. Specifically, the Company is evaluating whether the false hydrocarbon seismic response at Mesurado-1 is a local or a regional phenomenon. This evaluation is not one which can be accomplished in a short time, but should be completed late Q2 to early Q3 2017. Once this is completed the next steps regarding LB-13 will be determined."

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any sale of the Units in any jurisdiction in which such offer, solicitation or sale may be unlawful. The Common Shares and Warrants have not been and will not be registered under the 1933 Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act and applicable U.S. state securities laws.

Capitalised terms used in the Prospectus shall, unless the context provides otherwise, have the same meaning in this announcement.

About the Company:

The Company is an international oil and gas exploration and development company focused in offshore West Africa. The Company holds a 17% working interest in Block LB-13, offshore Liberia, with ExxonMobil the operator holding an 83% working interest. The Company is also actively pursuing opportunities in Nigeria in partnership with Shoreline Energy as part of its strategy to generate stable cash flow from secure offshore assets. The Company and Shoreline, through their jointly held affiliated company, Shoreline Canadian Overseas Petroleum Development Corporation ("ShoreCan") has acquired 80% of the share capital of Essar Exploration and Production Limited (Nigeria) which holds an attractive oil appraisal and development project in shallow to mid water offshore Nigeria on its 100% holding in OPL 226. Drilling of the first appraisal well is planned to commence in late 2017. ShoreCan is currently waiting for final approval from the Government of Nigeria for the acquisition.

ShoreCan is building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria. It continues to evaluate a variety of additional assets in Nigeria and Equatorial Guinea.

The Common Shares are listed under the symbol "XOP" on the TSXV and under the symbol "COPL" on the London Stock Exchange.

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This news release contains forward-looking statements. The use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, the ability to raise the necessary funding for operations, delays or changes in plans with respect to exploration or development projects or capital expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since the Company can give no assurance that they will prove to be correct since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Canadian Overseas Petroleum Ltd. For example, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, cost overruns, health and safety issues, political and environmental risks, commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry could cause actual results to vary materially from those expressed or implied by the forward-looking information. Forward-looking statements contained in this news release are made as of the date hereof and Canadian Overseas Petroleum undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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