

Canadian Overseas Petroleum Limited Completion of Acquisition in Nigeria

Calgary, Canada, September 14, 2016 - Canadian Overseas Petroleum Limited ("COPL" or the "Company") (XOP: TSX-V) & (COPL: LSE), an international oil and gas exploration and development company focused on offshore West Africa, announces its 50% owned affiliate, Shoreline Canadian Overseas Petroleum Limited ("ShoreCan"), has completed the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"). Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226 located 50km offshore in the central area of the Niger Delta.

Under the terms of the Production Sharing Contract ("PSC") governing OPL 226 (the "Block"), Essar Nigeria is required to seek Ministerial consent for the transaction. Application has been made and the parties to the transaction are awaiting its approval. Under the terms of the acquisition, ShoreCan will take over management and have a majority of Directors on the Board of the Essar Nigeria immediately.

An extension to the first phase of the PSC to December 31, 2017 was recently granted to Essar Nigeria. The remaining commitment on the first phase of the PSC is the drilling of one well. COPL's technical team has identified a drilling location, which will be an offset to an oil discovery made in 2001 by a previous Contract holder.

OPL 226 has an area of 1530 km² and is located approximately 50 km offshore the central delta region of Nigeria in water depths ranging from 40 to 180 meters. It offers oil appraisal and development opportunities having near term oil production potential and significant exploration upside. Historically, five wells have been drilled, with the first oil discovery on the Block made in 2001 in the fifth well after earlier drilling intersected predominantly gas-bearing sands.

The Block is situated along a large growth fault-controlled structural complex, which the Company refers to as the "Noa Complex". Extensive seismic campaigns have been conducted on the block over the years with 1750 km of 2D seismic, and approximately 1300 km² of 3D seismic data acquired to date. ShoreCan in the last year has completed additional seismic processing to the most recent 568 km² 3D seismic survey acquired by Essar Nigeria in 2012. The advanced seismic processing techniques applied to this data set by ShoreCan were done to differentiate oil-bearing sands from gas and water bearing sands. These techniques were unavailable previously due to the poor quality and inappropriate parameters of the earlier seismic data sets.

At the request of COPL, Netherland, Sewell & Associates, Inc. ("NSAI") has prepared an independent report (the "Report") in accordance with Canadian National Instrument 51-101 evaluating the Contingent and Prospective Resources attributed to OPL 226, as at 1 March 2016. In the Report, the Gross Unrisked **Contingent** Oil Resources recoverable for the primary Noa West oil discovery are estimated to be the following: Low Estimate (1C), 11.5 million Bbls; Best Estimate (2C), 16.1 million Bbls; and High Estimate (3C), 20.7 million Bbls. The Gross Unrisked **Prospective** Oil Resources recoverable for 15 additional undrilled areas on the Noa Complex in the Report are estimated to be the following: Low Estimate, 259 million Bbls; Best Estimate, 461 million Bbls; and High Estimate, 808 million Bbls. In addition to the oil resources identified, NSAI's Report has estimated significant volumes of Unrisked Prospective gas resources on the Block totaling on a Best Estimate basis over 1.7 TCF.

Arthur Millholland, President & CEO, commented:

"This is a great opportunity for our Company. It is a result of our efforts and of our partner in ShoreCan; the Nigeria based Shoreline Energy International. It allows the Company to leverage its in-house technical expertise and expand its regional footprint to acquire a high quality oil appraisal and development asset offshore Nigeria. It will be an excellent complement to our current West African portfolio."

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, where it expects to participate in the drilling of a deep-water exploration well in late 2016. 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") are currently seeking Government of Nigeria approval for the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) which holds an attractive oil appraisal and development project in mid water offshore Nigeria.

ShoreCan is building a portfolio of exploration and development assets in sub-Saharan Africa. To date, ShoreCan has taken a position in Nigeria, and Namibia. 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.

A presentation can be found on the Company website : www.canoverseas.com.

Also check out our Twitter feed: @COPLinvestor.

For further information, please contact:

Mr. Arthur Millholland, President & CEO

Canadian Overseas Petroleum Limited
Tel: + 1 (403) 262 5441

Cathy Hume

CHF Investor Relations
Tel: +1 (416) 868 1079 ext. 231
Email: cathy@chfir.com

Harriet Jackson/Dominic Barretto

Yellow Jersey PR Limited
Tel: +44 (0) 75 4427 5882
Email: copl@yellowjerseypr.com

**Broker: London Stock Exchange
Shore Capital Stockbrokers Limited
Edward Mansfield**

Phone: T: +44 20 7468 7906

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