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Ironclad -1 Exploration Well, Area 1 Offshore Mozambique

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company focused on East Africa, announces the following update on the Ironclad – 1 well located in Area 1 Offshore Mozambique license block.

Ironclad – 1, located approximately 110 kms south of the Windjammer gas discovery well, was drilled to evaluate the hydrocarbon potential of an aerially extensive Cretaceous deepwater fan complex in the southern part of the permit and in particular to determine the presence of oil in an area believed to have the geological parameters necessary for liquid hydrocarbon generation.

Drilling operations have now ceased at a total depth of 5304m the well having penetrated 205m of targeted Cretaceous age sediments in two distinct fan lobes.

We are pleased to report that the well penetrated thirty-eight meters (38 m) net of oil and gas saturated sands in the upper fan lobe. The presence of oil has been confirmed by geochemical analysis of rotary side wall cores taken from the well bore. Significant gas shows were also present throughout the drilling of the Cretaceous section. Having established an oil and gas column, future geological analysis of the Ironclad fans will focus on delineating areas predicted to have good reservoir parameters in terms of porosity and permeability necessary to support commercial exploitation.

The oil encountered in the Ironclad well is the first documented occurrence of liquid hydrocarbons in deepwater offshore East Africa.

On finishing operations at Ironclad, the Belford Dolphin will move to the Barquentine well site, located east of Windjammer, where surface casing is already set to approximately 2,300m. Following Barquentine, which is expected to take approximately 6 weeks, it is planned to drill at least 2 further exploration wells.

John Craven CEO Cove Energy commented:

"We are very encouraged by the results of Ironclad. The pre drilling objectives of this exploration well, of finding hydrocarbons in the Cretaceous fan system and encountering oil have both been met. This is very promising not just for the Cretaceous fan systems, where over 80 sq/kms of closure have been mapped, but for additional nearby prospects already identified elsewhere in the Offshore Area 1 block. In addition the presence of oil and its associated petroleum system in Ironclad is significant for our extensive deepwater blocks in both Mozambique and Kenya."

- Ends -

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Notes to Editors

Cove Energy is an AIM listed oil and gas company with a strategy to identify and acquire oil and gas assets in the early phase of the upstream life-cycle and mature them into marketable opportunities for the medium and larger oil and utility companies.

The Company's initial focus is on Africa and the Mediterranean. Current operations include the Mecupa-1 well in the Onshore Rovuma Block in northern Mozambique, where Cove has a conditional farm in agreement with Artumas to acquire a 10% participating interest in the Exploration and Production Concession Contract covering the Rovuma Onshore Area. Cove Energy has also agreed a conditional agreement with Artumas regarding the Mnazi Bay Concession in Tanzania to farm into the Mnazi Bay Production Sharing Contract which contain the Mnazi Bay and Msimbati gas fields.

Cove have signed a conditional farm-in agreement with Dynamic Exploration and Production Company, a privately held advanced exploration company based in Houston, Texas, to acquire a 15% interest in Blocks L5, L7, L11A, L11B AND L12 Offshore Kenya. Anadarko is the Operator of these blocks.

The Company operates with a minimum level of staffing but with a larger experienced "virtual" skills-pool from where it can draw on relevant experience on a case-by-case basis. The Company intends to partner and joint venture with investors and associates who will support Cove Energy with commercial skills and influence in areas where the Company intends to grow its business.

Cove Energy has a strong management team with a wealth of experience in oil and gas operations. Michael Blaha, Non-Executive Chairman and formerly Country Chairman for Royal Dutch Shell Group in Algeria, is a Petroleum Engineer with twenty nine years industry experience, his entire career spent working at Shell. John Craven, Chief Executive Officer and formerly founder and until recently CEO of Petroceltic International plc, is a petroleum geologist with thirty five years experience in senior technical and commercial roles in upstream oil and gas exploration and production companies.

www.cove-energy.com