



**53 Davies Street
Mayfair
London W1K 5JH
Tel: +44 203 008 5260
Tel: +353 1 662 4351
Fax: +353 1 661 3119**

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Cove Energy plc

Completion of Kenya Offshore Farm-in

Cove Energy plc (the "Company" or "Cove", AIM: COV), the AIM quoted upstream oil and gas company focused on East Africa, is pleased to announce that, following the receipt of the consent of the Government of Kenya, represented by the Minister of Energy, all necessary permissions and approvals have been granted for the acquisition by the Company of a 15% participating interest in the Production Sharing Contracts ("PSCs") covering five contiguous deepwater blocks ("Blocks") L5, L7, L11a, L11b and L12, offshore Kenya (the "Interests") from Dynamic Energy Exploration & Production Corporation ("DEPCO"). The acquisition is now unconditional and the transfer of the Interests by DEPCO'S subsidiary, Dynamic Global Advisors Kenya Limited, to Cove's wholly owned affiliate, Cove Energy Kenya Limited, has been completed.

The Blocks cover an area of 30,682 sq km (7.5 million acres - nearly three times the size of the Company's Area 1 Offshore Mozambique block ("Rovuma Offshore")) and are located over an extensive Kenya deepwater zone from the Somalia border in the north to Tanzania in the south.

There is a diversity of hydrocarbon play types within the blocks that have not yet been tested before in Kenya and which are similar to those that have been successfully explored by Cove and its partners in Rovuma Offshore, including Upper Cretaceous and Tertiary deepwater fan systems. Following the recently acquired 5000km 2D seismic survey and in light of the success in Mozambique, the Operator, Anadarko Kenya Company, is proposing to accelerate activity on the Blocks with a 3D seismic survey in 2011 followed by potential drilling in 2012.

As part of the acquisition consideration outlined in an earlier announcement on July 28th 2010, DEPCO has received 4,415,123 new ordinary shares in Cove ("Consideration Shares"), which are subject to a six month lock up which expires on 11 April 2011. The remaining consideration is a cash payment of US\$10.5m inclusive of acquisition costs, a reimbursement of DEPCO's past expenditure and funding for Cove's and DEPCO's committed forward work programme during the first exploration phase to June 2012.

Following the issue of the Consideration Shares, Cove's issued share capital increases to 343,063,457 ordinary shares. Application has been made to AIM to admit the Consideration Shares to trading and this is expected to occur on 15 October 2010.

John Craven, CEO of Cove Energy plc, commented:

"We are delighted to have completed the farm-in agreement for the prospective deepwater acreage offshore Kenya.

"These Blocks exhibit geological features that are similar to what we see in our existing interests in Mozambique and Tanzania. Having Anadarko as operator ensures operational and exploration continuity in our East Africa core area. As such, offshore Kenya is a natural next step to our on-going high impact exploration programme offshore Mozambique."

- Ends -



For further information, please contact:

Cove Energy plc

John Craven, CEO

c/o Billy Clegg

Tel: +44 (0)20 7831 3113

Cenkos Securities

Jon Fitzpatrick

Tel: +44 (0)20 7397 8900

Ken Fleming

Tel: +44 (0)131 220 9772

Financial Dynamics

Billy Clegg / Edward Westropp

Tel: +44 (0)20 7831 3113

John Craven, Chief Executive Officer of Cove, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement. Mr Craven is a petroleum geologist with approximately 35 years' experience.

Notes to Editor

Cove has established a strong position in East Africa with exploration interests in Area 1 Offshore Mozambique, which contains the Windjammer gas and Ironclad oil discoveries and where drilling operations are on-going, and other exploration and production interests in Mozambique Onshore and in the Mnazi Bay Gas Field in Tanzania.

For more details including a map of the Kenya blocks visit: www.cove-energy.com

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, with his entire career spent working at Shell. John Craven, Chief Executive Officer, 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