

22 December 2010

Cove Energy plc

Drilling update

Cove Energy plc ("the Company" or "Cove", AIM:COV), the East African oil and gas exploration company, announces that the Belford Dolphin drillship has arrived on location at the Tubarao well site. This follows cessation of operations on the Lagosta gas discovery which has been suspended to allow for future flow testing. As announced on 29th November the Lagosta well encountered over 550 feet of natural gas pay in Oligocene and Upper Eocene high quality sands.

John Craven, CEO of Cove Energy said:

"We are very pleased with the major success at Lagosta which found substantial gas pays in the main Oligocene and Upper Eocene objectives.

"The significance of this discovery means that the partnership can now confidently proceed to advance commercialisation options - particularly as the operator believes that the three gas discoveries already made, Windjammer, Barquentine and Lagosta, exceed the resource size threshold to support a Liquefied Natural Gas (LNG) development in our extensive 2.6 million acre block, offshore Mozambique.

"Cove is excited by the continuous exploration and appraisal programme planned for 2011 and beyond. Drilling operations at the Tubarao well are expected to take 6 to 8 weeks and we look forward to announcing results from that well as and when appropriate."

- Ends -

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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 36 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, Barquentine and Lagosta gas and Ironclad oil discoveries where drilling operations are planned to continue into 2011. Cove also holds exploration and production interests in Mozambique Onshore, Kenya Offshore and in the Mnazi Bay Gas Field in Tanzania.

Cove Energy has a strong management team with a wealth of experience in the oil and gas business and the operation and management of companies in the public arena. Michael Blaha, 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 was previously CEO and founder of Petroceltic International plc, and is a petroleum geologist with thirty six years experience in senior technical and commercial roles in upstream oil and gas exploration and production companies.

www.cove-energy.com

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