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Cove Energy plc

Operations Update

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company, is pleased give an update on its ongoing appraisal and exploration activities in East Africa.

Rovuma Offshore Area 1, Mozambique ("Rovuma Offshore Area 1")

Appraisal

- Extensive conventional coring programme of the three gas bearing reservoirs successfully completed at the Windjammer discovery well site.
- Belford Dolphin drillship now at the Lagosta discovery well site to continue coring programme, after which the rig will drill the Barquentine 2 appraisal well.

Second Rig

- Deployment of second drillship, the Deepwater Millennium, approved by the offshore partners – scheduled to commence operations in Q4 2011.

Exploration

- 1,600 km² 3D seismic survey completed over a potential "oil source kitchen" in the southern licence area. Initial results expected in Q3 2011.
- Additional 3D seismic survey ongoing over northern licence area between the Barquentine discovery and the Tanzania border near where a recent gas discovery was announced in block 1 Tanzania. The northern 3D is estimated to be a 2,448 km² programme.

Kenya offshore deepwater blocks L5, L7, L11a, L11b & L12

- Acceleration of exploration programme – 3,517 km² 3D seismic acquisition to commence in mid May 2011



Rovuma Offshore Area 1, Mozambique ("Rovuma Offshore Area 1")

Appraisal – Conventional Cores

Windjammer Coring Programme

The Belford Dolphin has completed a conventional coring programme over the Paleocene, Oligocene Fan 1 and Oligocene Fan 2 gas bearing reservoirs at the Windjammer well site. A total of 389.7m of core were successfully recovered, which was a recovery rate for the programme of over 99%. The Windjammer well has been suspended pending future appraisal and testing operations.

Lagosta Coring Programme

The Belford Dolphin is currently at the Lagosta well site to commence a conventional coring programme in the Oligocene Fan 1 and Eocene gas bearing reservoirs at this location. After coring and logging at Lagosta the rig will drill the Barquentine 2 appraisal well.

The objective of the current coring programme is to acquire full core analysis over all the proven gas reservoir intervals (Paleocene, Eocene, and Oligocene) in the Rovuma Offshore Area 1 block required to accelerate the development plan and final investment decision (project sanction) for the commercialisation of the gas discoveries via a Liquefied Natural Gas (LNG) project. As part of this process the partnership is working to correlate the extracted core data to existing well logs and thence to our proprietary seismic data.

Second Deepwater Rig

The Rovuma Offshore Area 1 partnership has approved the contract to hire the Deepwater Millennium drill ship to the project with the expectation that the ship will be operational in the block in Q4-2011. The Deepwater Millennium will work alongside the Belford Dolphin drill ship. However, unlike the Dolphin it will arrive with full testing equipment and will therefore be used for appraisal work and well flow testing allowing the Dolphin to focus on exploration.

Exploration – 3D Seismic

A 1,600 sq km survey of new 3D seismic data has been acquired in the "Quirimbas" area in the southern portion of Rovuma Offshore Area 1. A fast track cube of this data is expected to be available in Q3-2011. This survey has been aimed at identifying good quality reservoir sands that are on the migration pathway from the oil source kitchen identified by the Ironclad well.

The survey boat moved to acquire 2,448 sq km of new 3D seismic data over the "Cabo Delgado" area in the northern section of the block in mid-April and this survey is currently over 30% complete. This area is adjacent to the gas discoveries at Windjammer and Barquentine and will cover an area north to the Tanzania border.



Kenya Deepwater Blocks L5, L7, L11a, L11b and L12

Cove is pleased to announce the acceleration of a 3,517 sq km 3D seismic survey over their blocks in Kenya Offshore. It is anticipated that the survey will commence by the end of May 2011. The decision to accelerate this programme is due to the encouraging prospectivity resulting from the interpretation of the 5,000 line km survey of 2D seismic acquired in 2010 and the recent gas discoveries in offshore Tanzania and Mozambique during 2010.

John Craven, CEO of Cove Energy commented:

“We are delighted with the progress of both the appraisal and exploration activities in our East Africa offshore blocks, as we continue to hit our milestones.

“Importantly, having full core data over all potential gas bearing reservoirs offshore Mozambique, will help optimize the gas development plan and accelerate LNG project sanction.

“I am confident that the new offshore Mozambique 3D seismic survey will confirm a number of additional low risk prospects, in terms of both oil in the south and gas in the north. This new data together with re-processed existing 3D data will provide the partnership access to a consistent high quality 3D seismic subsurface cube over the entire deepwater offshore area, which will de-risk and high grade future prospects for drilling.

“The commitment to a second deepwater rig primarily for appraisal work is also an important milestone. Its arrival in Q4 2011 (coinciding with the availability of the new 3D seismic data) will mean that the Belford Dolphin can revert to exploration drilling. Operating the two rigs is a demonstration of the commitment of the offshore partners to rapidly move to project sanction, while at the same time capturing the significant exploration potential; thus maintaining our first mover advantage in East Africa.

“In our Kenya blocks we see a number of leads in promising geological settings some of which will be targeted by our new 3D seismic survey commencing this month.

“We are engaged in developing important components on the road to LNG project sanction, while at the same time laying down the platform for an exciting and continuous exploration programme later this year.”

- Ends-



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.

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