

21 September 2011

Cove Energy Plc

KENYA DEEPWATER OFFSHORE – COVE ENERGY AND PARTNERS SIGN FARMOUT AGREEMENT WITH TOTAL

Cove Energy plc (“the Company” or “Cove”, AIM: COV), the AIM quoted upstream oil and gas company is pleased to announce that its wholly owned subsidiary company, Cove Energy Kenya Limited (“Cove Kenya”) together with the its partners, Anadarko Kenya Company (“Anadarko”), a wholly owned subsidiary of Anadarko Petroleum Corporation and Dynamic Global Advisers Kenya Limited (“DGA”) (together the “Farm Out Partners”), have signed a farm out agreement whereby TOTAL E&P Kenya BV (“TOTAL”), a wholly owned company within the TOTAL S.A group has agreed to acquire a 30% interest in Blocks L5, L7, L11A, L11B and L12 (the “Farm Out Agreement”) covering more than 30,000 square kilometers and situated in the deepwater offshore Kenya, in water depths of between 100 and 3,000 meters (“5 Offshore Blocks”). Cove will contribute 5%, Anadarko 20% and DGA 5% to the Farm Out. In addition to the Farm Out Agreement, TOTAL have agreed to purchase, for cash, DGA’s entire interest in the Kenya Offshore Blocks (the “Sale Transaction”)

In summary, in return for a carry on an accelerated forward exploration programme, Total will acquire:

- A 5% stake from Cove Kenya, which will maintain a 10% interest in the 5 Offshore Blocks;
- A 20% stake from Anadarko, which continues as operator and which will maintain a 50% interest in the 5 Offshore Blocks; and
- A 15% stake from DGA, which sells its entire 15% interest to Total.

The Farmout Agreement and the Sale Transaction were signed by all parties on 19 September 2011 and lodged for validation with the Kenyan Ministry for Energy in Nairobi on 20 September 2011 and is subject to the approval of the Kenyan authorities

After the completion of the Farm Out Agreement and the Sale Transaction the interests in the Kenya Offshore Blocks will be:

Anadarko Kenya Company Limited	50%
TOTAL E&P Kenya BV	40%
Cove Energy Kenya Limited	10%

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John Craven, CEO of Cove commented: “The addition of a company of the calibre of TOTAL to our Kenyan deepwater partnership marks an industry acknowledgement of the significant exploration potential in these blocks. Industry attention in East Africa has increased substantially over the last 18 months following our Windjammer discovery offshore Mozambique and the farm-in of TOTAL into our Kenyan interests demonstrates the attractiveness of our acreage in the region to the industry.”

“The deal is in keeping with Cove’s strategy of retaining a significant non-operated interest whilst sensibly managing our forward expenditure. Additionally the purchase price paid by TOTAL, for DGA’s 15% interest, shows significant valuation uplift to Cove and validates our early mover advantage into Kenya offshore.”

“We are looking forward to the completion and interpretation of the current 3,500 sq km 3D seismic programme and to the planned commencement of drilling operations in the second half of 2012”.

A copy of TOTAL’s press release is reproduced below:

**Total Enters Exploration in Kenya
by Acquiring a 40% Stake in Five Offshore Blocks in the Lamu Basin**

Total today announces its acquisition, through its Total E&P Kenya B.V. subsidiary, of a 40% interest in five offshore exploration blocks in the Lamu Basin — Blocks L5, L7, L11a, L11b and L12. Subject to the approval of the Kenyan authorities, Total will acquire:

- A 20% stake from Anadarko Kenya Ltd, which will continue to be the operator with a 50% interest in the permits.
- A 5% stake from Cove Energy, which will maintain a 10% interest in the permits.
- A 15% stake from Dynamic Global Advisors, which is selling all of its interest to Total.

Covering an area of more than 30,000 square kilometers, the exploration blocks are located offshore the Lamu Archipelago in water depths of between 100 and 3,000 meters.

A 3,500-square-kilometer 3D seismic survey is currently underway. If the results are satisfactory, one or more exploration wells will be drilled once the survey has been completed.

“This transaction is part of a bold exploration strategy that consists in acquiring large stakes in high-potential frontier plays,” says Marc Blaizot, Total’s Senior Vice President, Exploration. “Recent discoveries in offshore Mozambique and Tanzania offer a very promising outlook for these Kenyan permits.”

Following its recent investment in the exploration and development of reserves in Uganda’s Lake Albert region, and its selection to develop exploration activities in Tanzania, this acquisition is another step in Total’s strategic focus on strengthening its exploration and production presence in East Africa.

Total in Kenya

Total has been present in Kenya — one of its longest established host countries in Africa — since 1955 via Total Kenya, headquartered in Nairobi. Total Kenya is listed on the Nairobi Stock Exchange and employs 385 people.

Market leader since its acquisition of Chevron's assets in 2009, Total Kenya conducts all of the Group's marketing operations, which include general retail and lubricant, LPG and aviation fuel distribution operations, via a network of 165 service stations

Ends

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Notes to Editor

Cove has established a strong position in East Africa with exploration interests in Area 1 Rovuma Offshore Mozambique ("Rovuma Offshore"), which contains the Windjammer, Barquentine, Lagosta, Tubarão and Barquentine 2 gas and Ironclad oil discoveries. Appraisal, drilling and testing operations are underway with a planned LNG final investment decision scheduled for Q3-2013, together with on going exploration activities to discover additional hydrocarbon resources, all focussed on Rovuma Offshore. 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.

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