

28 November 2011

Cove Energy plc

## Cove Announces Major Appraisal Success and Resource Upgrade Offshore Mozambique

### Appraisal Well Results Support Increased Recoverable Gas Resource Range of 15 - 30+ Trillion Cubic Feet

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company, together with the operator Anadarko Petroleum Corporation ("Anadarko"), is delighted to provide an update of the results of the Barquentine-3 appraisal well and consequent gas resource range upgrade in the Rovuma Basin Area 1 block, Offshore Mozambique ("Area 1 Rovuma Offshore").

#### Highlights

- **Thickest Gas Pay To Date**

Barquentine-3, the sixth successful well to drill in the now world class Windjammer, Lagosta, Barquentine and Camarão ("WLBC") gas complex encountered more than 202 net meters (662 net feet) of natural gas pay in two high-quality Oligocene-aged fan systems.

- **Significant Estimated Recoverable Resource Increase**

Recoverable resource ranges for the WLBC gas complex are now estimated to be 15 to 30+ trillion cubic feet ("TCF") of recoverable natural gas, with an estimated 30 to 50+ TCF of natural gas in place.

- **Expandable LNG (liquefied natural gas) Development**

A large-scale LNG development is currently being designed to consist of at least two trains with the flexibility to expand to six trains.

- **Two Drilling Rigs Secured**

The *Deepwater Millennium* drillship is being mobilized to commence flow and interference testing and a new 4 year extension for the *Belford Dolphin* drillship will ensure a continuous appraisal and exploration drilling programme.

- **New 3D Seismic**

Analysis of the new seismic has identified a growing number of high-potential prospects in other areas in Area 1 Rovuma Offshore.

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John Craven, CEO of Cove Energy commented;

“Barquentine-3 encountered outstanding Oligocene gas saturated reservoirs in terms of thickness and rock quality. As a result, the partnership has significantly upgraded the recoverable gas resource range to 15 – 30+ TCF in the Oligocene and Eocene reservoirs of the discovered field area of the WLBC gas complex. The rest of the Area 1 block remains highly prospective and holds over 15+ identified prospects and leads that are significantly de-risked by the successful appraisal drilling campaign and which possess similar age and seismic character traps to existing discoveries. There is also deeper untested potential in existing discoveries.

“Barquentine-3 clearly demonstrates how value can be created by appraisal drilling. Future plans include drilling three further appraisal wells and flow testing, both running parallel to exploration drilling, throughout this prolific block”

A copy of the Anadarko press release is copied below.

- 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 37 years' experience.

**Notes to Editors:**

Cove has established a strong position in East Africa with exploration interests in Area 1 Offshore Mozambique, which contains the Windjammer, Barquentine, Lagosta, Tubarão and Camarão gas and Ironclad oil discoveries where drilling operations are planned to continue through 2012.

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](http://www.cove-energy.com)

**Anadarko Announces Major Success Offshore Mozambique****Results Support Increased Recoverable Resource Range of  
15 to 30+ Trillion Cubic Feet**

HOUSTON, Nov. 28, 2011 – Anadarko Petroleum Corporation (NYSE: APC) today announced the successful Barquentine-3 appraisal well encountered more than 662 net feet (202 meters) of natural gas pay in two high-quality Oligocene-aged fan systems, significantly expanding the estimated recoverable resource range to 15 to 30+ trillion cubic feet (Tcf) of natural gas, with an estimated 30 to 50+ Tcf of natural gas in place. Barquentine-3 marks the sixth successful penetration in the complex that includes the Windjammer, Lagosta, Barquentine and Camarão discoveries.

“The positive results of each appraisal well that we have drilled and analyzed have continued to increase our estimate of recoverable resources and natural gas in place on our block, and to add to our confidence that this could be one of the most important natural gas fields discovered in the last 10 years, with significant long-term benefits for Mozambique,” said Anadarko Chairman and CEO Jim Hackett. “In parallel, we’ve continued to advance an expandable LNG (liquefied natural gas) development that will support this world-class field. This is great news for Mozambique, as our ongoing activities will continue to spur meaningful investment in the region, generate significant revenue for the government and offer a multitude of opportunities for the people of Mozambique.”

Anadarko President and Chief Operating Officer, Al Walker added, “The results of Barquentine-3 indicate that we continue to encounter very thick sands with high-quality rock throughout these massive, connected reservoirs. Recoverable resources of this size and quality

are perfectly suited for a large-scale LNG development, which is currently being designed to consist of at least two trains with the flexibility to expand to six trains. We also plan to leverage our experience with Independence Hub by constructing an offshore hub facility that will be tied back to the LNG plant onshore. We are already nearing the completion of the pre-FEED (front-end engineering and design) activity and expect to begin FEED work in the near future. Simultaneously, we have analyzed our two new 3D seismic datasets and are excited to have the rig commitments in place to continue our appraisal work while accelerating our exploration activities, including testing a growing number of high-potential prospects in other areas of the Offshore Area 1.”

Anadarko is in the process of mobilizing the *Deepwater Millennium* drillship to accelerate its activity in the Offshore Area 1. The company also recently signed a four-year contract extension that will keep the *Belford Dolphin* drillship working in the basin as part of its ongoing program.

The Barquentine-3 appraisal well was drilled to a total depth of approximately 13,400 feet (4,084 meters) in water depths of approximately 5,170 feet (1,575 meters). The well is located approximately 2.75 miles (4.4 kilometers) southeast of the Barquentine discovery well and approximately 1.8 miles (2.9 kilometers) south of the Barquentine-2 appraisal well. The partnership will preserve Barquentine-3 for use as a monitor well during its upcoming testing program. The drillship will next move to top set the Barquentine-4 appraisal well.

Anadarko is the operator of the 2.6-million-acre Offshore Area 1 with a 36.5-percent working interest. Co-owners in the area are Mitsui E&P Mozambique Area 1, Limited (20 percent), BPRL Ventures Mozambique B.V. (10 percent), Videocon Mozambique Rovuma 1 Limited (10 percent) and Cove Energy Mozambique Rovuma Offshore, Ltd. (8.5 percent). Empresa Nacional de Hidrocarbonetos, E.P.’s 15-percent interest is carried through the exploration phase.

### **Accompanying Slides and Additional Information**

Slides containing additional detail regarding Anadarko’s deepwater drilling programs and planned LNG development are available under the “Investor Relations/Presentations” and “Media Center/Anadarko News” tabs at [www.anadarko.com](http://www.anadarko.com).

Anadarko Petroleum Corporation’s mission is to deliver a competitive and sustainable rate of return to shareholders by exploring for, acquiring and developing oil and natural gas resources vital to the world’s health and welfare. As of year-end 2010, the company had approximately 2.42 billion barrels-equivalent of proved reserves, making it one of the world’s largest independent exploration and production companies. For more information about Anadarko, please visit [www.anadarko.com](http://www.anadarko.com).