

13 December 2011

Cove Energy plc

COVE OFFSHORE AREA 1 MOZAMBIQUE ACTIVITIES CONTINUE

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company, announces an update on activities in their 8.5 per cent participating interest in the Mozambique Offshore Area 1 block ("Rovuma Area 1").

Cove reports that the latest appraisal well, Lagosta 2 (7.4km north of Lagosta 1), has spudded on 11 December 2011 and it is planned that this well will be completed towards late January 2012.

In line with its stated strategy Cove has opened a data room to certain parties who expressed an interest in Cove's participation in the Rovuma Area 1 project.

Early stage discussions with major LNG off-takers in the Asian and European markets are currently taking place to secure long term commercial contracts for the planned production from the Rovuma Area 1 project.

The Rovuma Area 1 partners also announced that long term drill ship capacity had been secured to continue the high impact appraisal, testing and exploration programme in the block to increase the recoverable gas resource beyond the current range estimate of 15 to 30+ trillion cubic feet.

UK Takeover Panel

The Company stated on 2 February 2010 that steps would be taken to clarify the applicability of the City Code on Takeovers and Mergers (the "Code") to Cove. The requisite steps have now been taken, and following further discussions with the Takeover Panel, Cove can confirm that it is now the view of the Takeover Panel that the Code presently applies to the Company.

- 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 thirty one 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.