

30 January 2012

COVE ENERGY PLC

DIVESTMENT OF TANZANIAN INTERESTS, TERMINATION OF WENTWORTH ROYALTY

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company is pleased to announce today that it has entered in to an agreement ("the Agreement") to divest its Tanzanian Interests, comprising a 16.38% interest in production operations and 20.475% interest in exploration operations in the Mnazi Bay Production Sharing Contract ("Mnazi Bay PSC"), to Wentworth Resources Ltd ("Wentworth", AIM:WRL). The Agreement provides for transfer of 100% of the shares of Cove Energy Tanzania Mnazi Bay Limited, a wholly owned group subsidiary of Cove, to Wentworth in exchange for:

- An increase in profit share from Area 1 Rovuma Offshore Exploration & Production Concession Contract ("Area 1 EPCC") through the termination by Wentworth of its royalty interest of 4.95% over Cove's 8.5% share of the profits derived from the Area 1 EPCC ("Royalty");
- Two million newly issued fully paid shares in Wentworth ("Consideration Shares") to be retained by Cove; and
- Contingent payments of up to US\$8.5 million, depending on future natural gas production thresholds from the Mnazi Bay PSC being achieved (the "Contingent Payment"). Any proceeds arising from the Contingent Payment will be used for general working capital.

Completion of the transfers provided for in the Agreement (the "Completion") is subject to, and will occur on receipt of normal regulatory approval by the Government of Tanzania.

Les Etablissements Maurel et Prom ("M&P") and Tanzania Petroleum Development Corporation ("TPDC") have rights of pre-emption under the Mnazi Bay Joint Operating Agreement to be exercised within 30 days of the execution of the Agreement. However, the consideration to be received by Cove under the terms of the Agreement (including termination of the Royalty) is not affected as any pre-emption will be satisfied following Completion through sale by Wentworth of the relevant participating interest in the Mnazi Bay PSC to M&P and / or TPDC. The transaction is valued at approximately US\$39 million.

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Effective Date

The Effective Date of the Agreement is 30th September 2011. Cove will continue to meet its financial and contractual obligations under the Mnazi Bay PSC including any drilling costs, until Completion. However, under the terms of the Agreement, Cove will be reimbursed by Wentworth for its costs incurred between the Effective Date and Completion.

Benefits to Cove

The Agreement is an important strategic step for Cove, particularly in light of the Company's announcement on 5th January 2012 of the commencement of a formal corporate sale process, running alongside other options including possible sale of its interest in Area 1 EPCC. Following the termination of the Royalty, Cove will have an increased share in Area 1 EPCC through its resulting unencumbered 8.5% participating interest.

In addition through the divestment of its interest in Mnazi Bay PSC, Cove will not have any ongoing commitment to forthcoming expenditures on the Mnazi Bay PSC but will retain some upside exposure through the Consideration Shares and the Contingent Payment. It will enable the Company to focus on its core portfolio of projects in Mozambique and Kenya and the Directors believe that it should positively assist the sales process.

Chief Executive, John Craven, commented:

“This transaction is an important strategic and positive step for Cove, which I believe enhances our business going forward. The Agreement with Wentworth increases Cove’s share of our core asset, the Area 1 EPCC, by removal of the Royalty. Also divesting our Tanzanian interests allows Cove to focus on its offshore blocks where considerable upside potential remains from the ongoing exploration and appraisal programmes in both Mozambique and Kenya. Mnazi Bay was an important initial foundation for the Company, but the current Mnazi Bay programme better fits Wentworth’s focused capabilities.”

“On behalf of all of us at Cove I would like to express to Wentworth our very best wishes for the future. We have enjoyed an excellent working relationship in the past and I am happy that we have concluded a deal that should be beneficial to both parties.”

ENDS

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About Area 1 Rovuma Offshore, Mozambique

Cove has an 8.5% participating interest in Area 1 EPCC which contains the significant Windjammer, Barquentine, Lagosta, Tubarão and Camarão gas and Ironclad oil discoveries. The gas discoveries hold estimated recoverable resources of 15 to 30+ Trillion Cubic Feet with significant additional exploration potential. The Operator, Anadarko is currently undertaking an extensive exploration, appraisal and development planning programme targeted at achieving Final Investment Decision by the end of 2013 for development leading to export of significant volumes of LNG.

Cove's interests in Area 1 EPCC and Mnazi Bay PSC were acquired as part of a wider transaction from Artumas Resources (now Wentworth) in late 2009. As the sole consideration for acquisition of Area 1 EPCC, Cove agreed to pay Artumas a royalty amounting to 4.95% of net profits derived from its 8.5% interest in the Area 1 EPCC (but excluding any profits from participation in any project outside the Area 1 EPCC).

About Mnazi Bay PSC, Tanzania

The Mnazi Bay PSC is located in coastal, south-eastern Tanzania in the Ruvuma Basin. The concession contains two Tertiary aged gas discoveries (Mnazi Bay and Msimbati) and holds additional exploration potential. The four wells drilled to date all encountered hydrocarbons. MB-1 is currently producing gas at a rate of 1.7-2.0mmscf/d which is transported via a 27 kilometre pipeline to the Mtwara Power Plant where it generates electricity for distribution throughout local communities.