

7th October 2011

Cove Energy plc

Award of Options and Directors' Dealing

Cove Energy plc (the "Company" or "Cove Energy", AIM: COV), the AIM quoted upstream oil and gas company, announces that it has today, on the recommendation of its Remuneration Committee, made awards (the "Option Awards") in respect of 1,367,647 options over ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") to its executive directors to reward management's performance in the period ended 5th April 2011. These Option Awards were agreed in June 2011 but could not be granted earlier due to Cove's high level of corporate and exploration activity putting it consistently into a close period. The Option Awards were made under the Unapproved Executive Share Option Scheme and are as follows:

Michael Blaha	500,000 shares
John Craven	500,000 shares
Michael Nolan	367,647 shares

All of the Option Awards have an exercise price of 78.625p per share, being equal to the market value of a Cove Energy share at close of business on 6 October 2011 being the day prior to the date of grant ("Award Price") and are exercisable between three and seven years from issue. To fully vest the Cove Energy share price must show at least a 25% compound annual growth from the Award Price subject to a reduction by half of the Option Awards should the compound annual growth in the Company's share price be greater than 15% but less than the 25% hurdle.

In addition to the above awards the Company has made Option Awards in respect of 300,000 options to Paul Griggs under the Company's Unapproved Share Option Scheme to reward him for his major contribution to the Company's success over the year ending 5th April 2011. As is the case for the awards to the executives, these Option Awards were agreed in June 2011 but could not be granted earlier due to the Company being in a consistently close period. The vesting and exercise criteria of Mr Griggs' options are identical to those made to the executive directors, as above.

Directors Dealing

Anthony Golding, a non-Executive Director, informed Cove Energy that on 6 October 2011 he purchased in total 5,000 Ordinary Shares, at a price of 74.45p per share. Following this

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notification, Anthony Golding has a total interest in 10,000 Ordinary Shares representing 0.002% of the Company's issued share capital.

- Ends -

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Notes to Editor

Cove Energy 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 Energy 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