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## Cove Energy plc

## COVE ANNOUNCES FURTHER APPRAISAL SUCCESS OFFSHORE MOZAMBIQUE

Cove Energy plc (“the Company” or “Cove”, AIM:COV), the AIM quoted upstream oil and gas company, together with the operator Anadarko Petroleum Corporation, is delighted to provide an update of the results of the Lagosta 2 appraisal well, which lies 7km north of the Lagosta discovery in the Rovuma Basin Area 1 block, Offshore Mozambique (“Area 1 Rovuma Offshore”), the seventh well in the discovery area.

**Highlights**

- **Thickest Gas Pay to date**

Lagosta 2, the seventh successful well to drill in the world class Windjammer, Lagosta, Barquentine and Camarão (WLBC) gas complex, encountered 237 (777 feet) net meters of natural gas pay in multi zones. This is the largest pay count of any well in the WLBC gas complex to date.

- **Results Further De-risks Estimated Gas Resource**

Results support estimated recoverable resource for the WLBC gas complex of 15 to 30 - plus trillion cubic feet (TCF) of natural gas.

- **Reservoir Communication**

Pressure readings confirm important reservoir continuity between Lagosta 2, Lagosta 1 and Camarao over a distance of 15.5 kilometers.

- **Second Drillship Arrives**

The *Deepwater Millennium* drillship has arrived in Mozambique to begin an extensive testing programme that will include installing observation gauges and conducting several flow tests to further substantiate the discovered resource.

John Craven CEO of Cove Energy commented; “Lagosta 2 has delivered another outstanding result demonstrating the lateral and vertical extent of the high quality Tertiary reservoirs in the WLBC gas complex and further de-risks the recent resource upgrade of 15 to 30-plus TCF.

“I am confident that after further evaluation of Lagosta 2, combined with new drilling and well testing, we will see more resource upgrades as this exciting project drives on towards final investment decision in 2013.”

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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, most of his 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)

A full version of Anadarko's release is copied below.

## ANADARKO ANNOUNCES ANOTHER MAJOR APPRAISAL SUCCESS OFFSHORE MOZAMBIQUE

**HOUSTON**, Jan. 17, 2012 – Anadarko Petroleum Corporation (NYSE: APC) today announced its seventh well in the discovery area offshore Mozambique successfully appraised previous discoveries at Lagosta and Camarão. The Lagosta-2 appraisal well, located about 4.4 miles (7 kilometers) north of the Lagosta discovery and 5.3 miles (8.5 kilometers) south of the Camarão well, encountered 777 total net feet (237 meters) of natural gas pay in multiple zones.

“This is the largest pay count of any well in the complex to date, and it seems fitting that our seventh successful well in the discovery area would encounter 777 net feet of pay,” said Bob Daniels, Anadarko Sr. Vice President, Worldwide Exploration. “These excellent results continue to support our recoverable resource estimates of 15 to 30-plus Tcf (trillion cubic feet) of natural gas in the discovery area on our block, as well as provide additional information that will be incorporated into our models to help determine the optimal subsea development plans for the complex. In addition, a second deepwater drillship, the *Deepwater Millennium*, has arrived in Mozambique to begin an accelerated testing program that will include installing observation gauges and conducting several drillstem tests as we remain on track to reach a final investment decision for this project in 2013.”

The Lagosta-2 appraisal well was drilled to a total depth of approximately 14,223 feet (4,335 meters) in water depths of approximately 4,813 feet (1,467 meters) in the Offshore Area 1 of the Rovuma Basin. The partnership plans to preserve the Lagosta-2 for future utilization during its planned drillstem testing program in the Windjammer, Barquentine and Lagosta complex. Once operations are complete, the *Belford Dolphin* deepwater drillship will be mobilized to drill the Lagosta-3 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.

An updated map of Anadarko’s position in Offshore Area 1 of the Rovuma Basin, including the Lagosta-2 appraisal well is available under the “Media Center/Anadarko News” tab at [www.anadarko.com](http://www.anadarko.com).