



Company Presentation

September 2011



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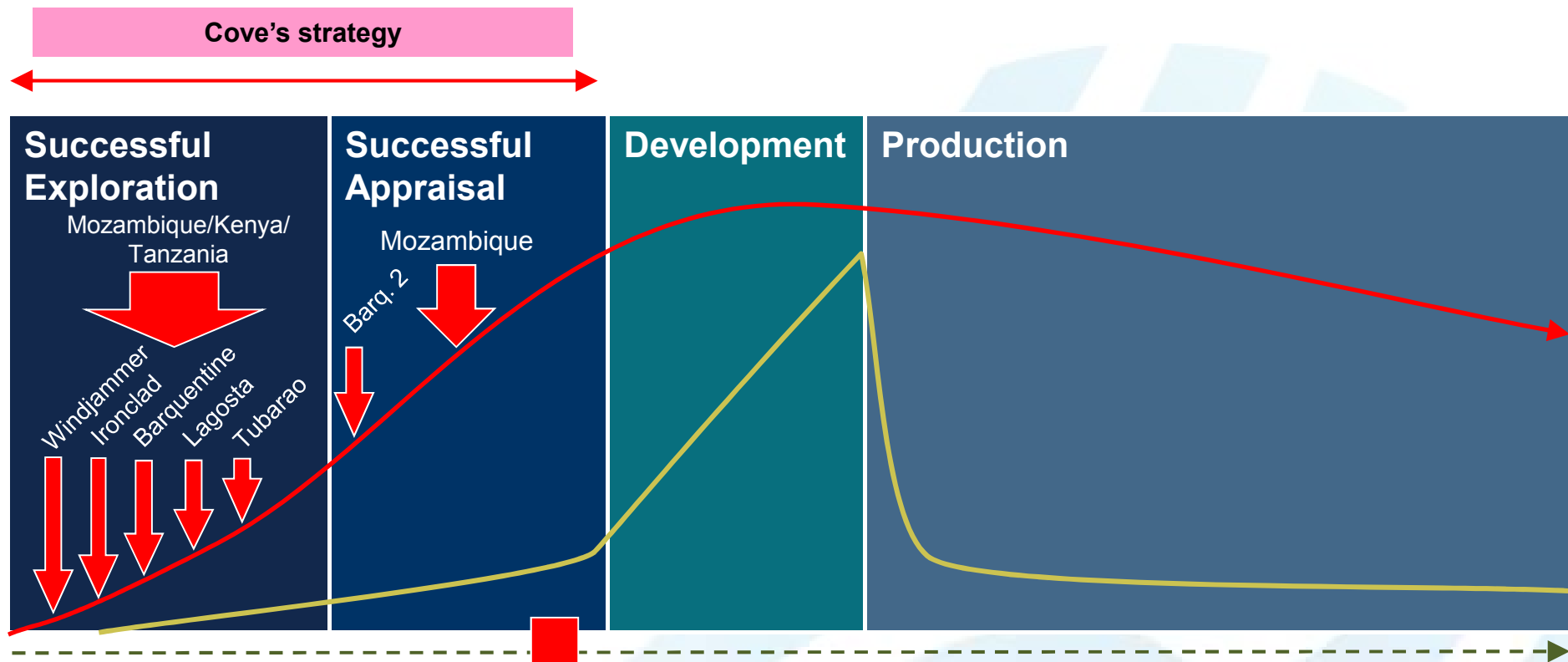
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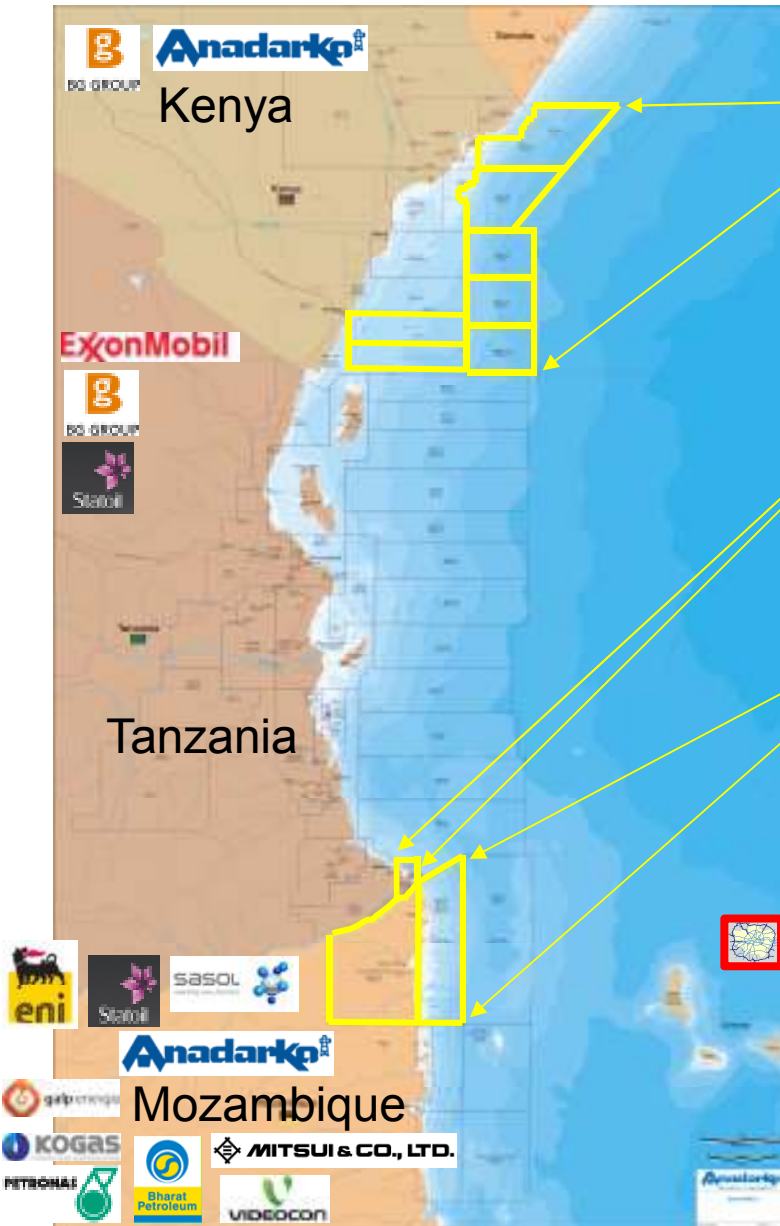
- **Michael Blaha, Executive Chairman**
 - Appointed as Executive Chairman, Q4 2009
 - Former country chairman of Shell Algeria; petroleum engineer with 31 years of experience
 - Senior roles with Shell in Holland, Far-East, Middle East, Russia and Africa
- **John Craven, Chief Executive Officer**
 - Former CEO of Petroceltic International plc
 - Petroleum geologist with 35 years in E&P with Gulf Oil, Dana Petroleum and Vanco Energy
 - A record of delivery for investors
- **Michael Nolan, Finance Director and Company Secretary**
 - Chartered accountant with 15 years of natural resources experience in public companies
 - Former CEO and FD of Lapp Plats plc
 - Director of Rathdowney Resources Ltd
- **Frank Moxon, independent Non-Executive Director**
 - Corporate financier with 25 years of City experience including 14 years in natural resources
 - Former head of corporate finance and head of natural resources at Williams de Broë plc
 - Non-executive director of Whetstone Minerals and Chartered Institute for Securities & Investment
- **Dr Stephen Staley, independent Non-Executive Director**
 - Petroleum geoscientist and business development professional with 27 years of energy sector experience
 - Co-founder, and previously managing director, of Independent Resources plc
 - Wide experience in North & Sub-Saharan Africa, Asia, Europe with Cinergy Corp and Conoco inter alia
- **Anthony Golding, independent Non-Executive Director**
 - Lawyer, currently a consultant to leading law firm Thompson & Knight LLP focused on corporate, finance & energy law
 - Spent 14 years with the UK Independent & FTSE 100 upstream oil and gas company London & Scottish Marine Oil plc

Cove's Strategy: Low Expenditure – High Value



Cove's strategy - Value creation through acquiring participation in exploration assets and in seismic, drilling, appraisal and testing programmes

Cove's East Africa Deepwater Acreage



Kenya Interests

5 Blocks (L5, L7, L11A, L11B, L12)	15%
L10A	25%
L10B	15%

Tanzania Interests

Mnazi Bay Production	16.4%
Mnazi Bay Exploration	20.5%

Mozambique Interests

Rovuma Offshore Area 1	8.5%
Rovuma Onshore	10%

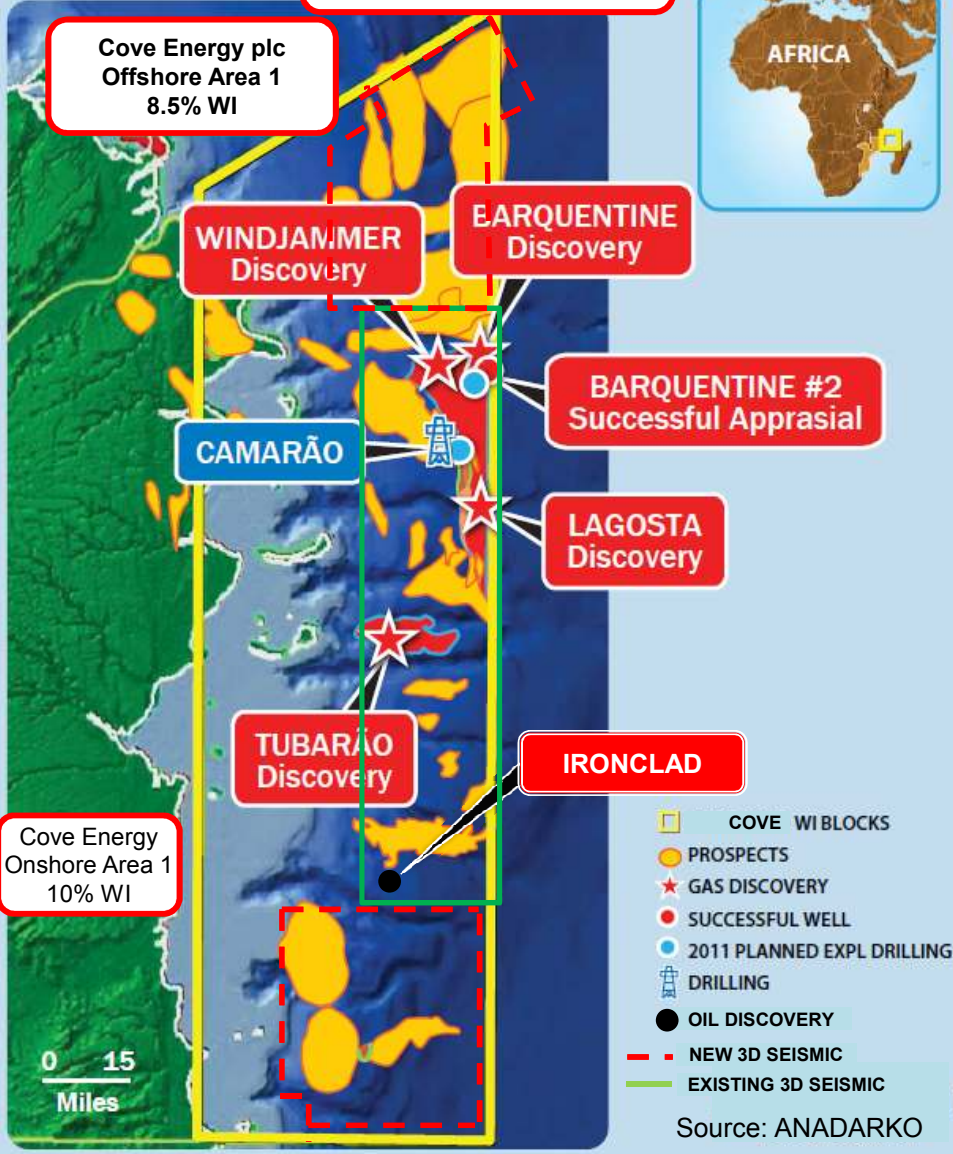
Greater London / M25 area



Mozambique Offshore Area 1 "TIER 1 ASSET"

Recent BG announcement of gas discovery just north of Area 1

Cove Energy plc
Offshore Area 1
8.5% WI



Cove Energy
Onshore Area 1
10% WI

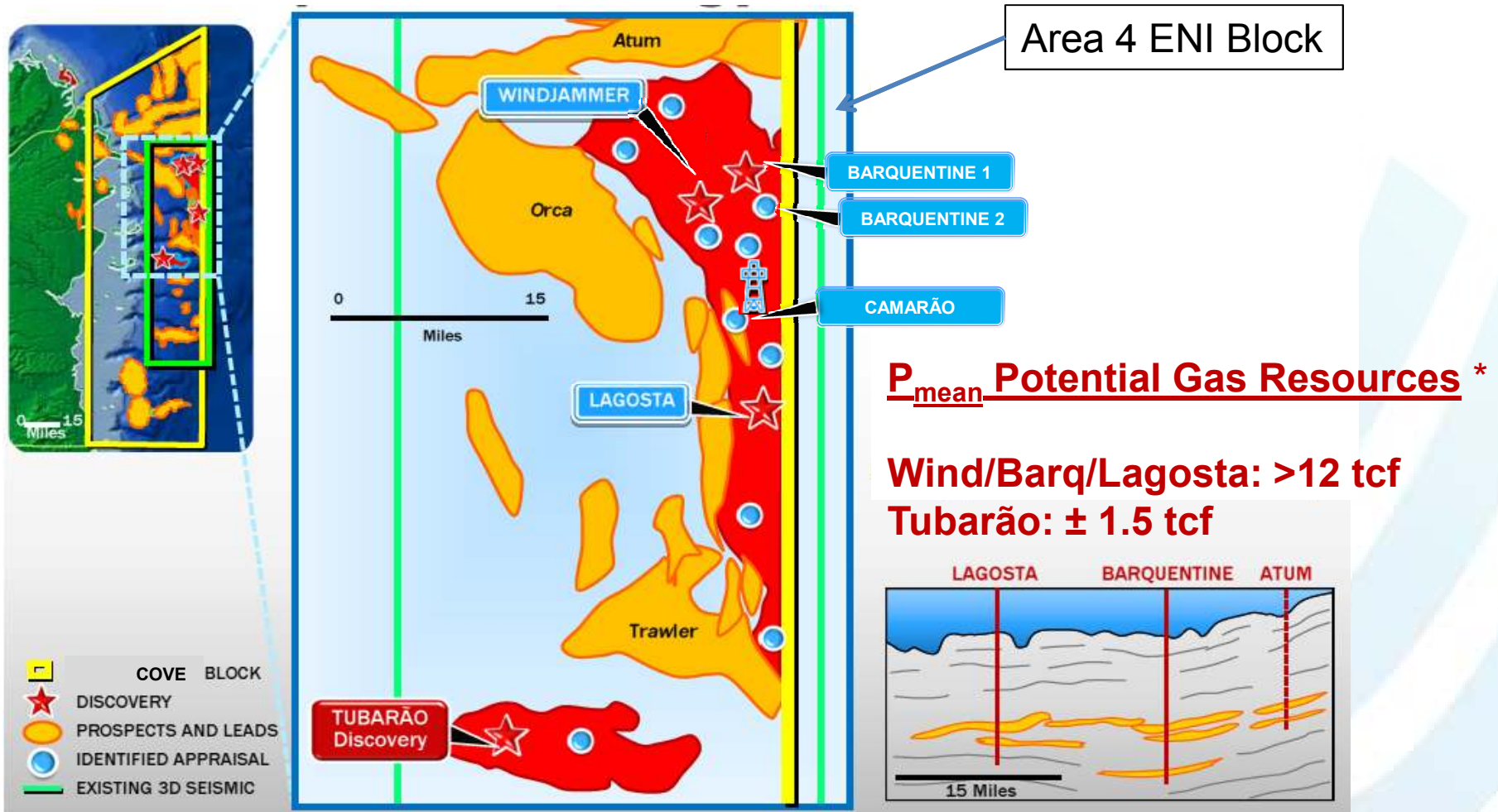
- COVE WI BLOCKS
- PROSPECTS
- GAS DISCOVERY
- SUCCESSFUL WELL
- 2011 PLANNED EXPL DRILLING
- DRILLING
- OIL DISCOVERY
- NEW 3D SEISMIC
- EXISTING 3D SEISMIC

Source: ANADARKO

Working interests:

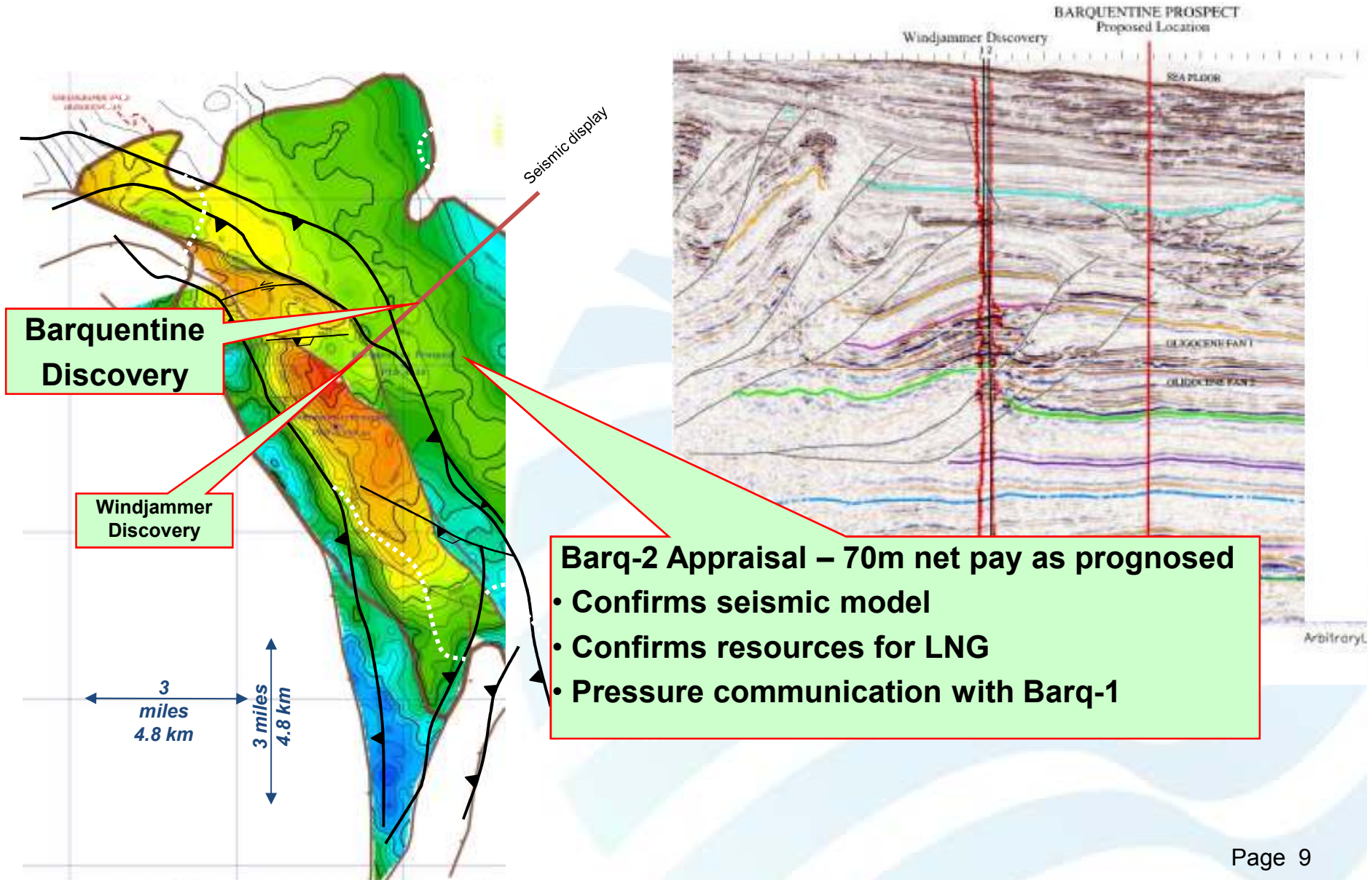
- **Cove Energy** 8.5 %
- Anadarko 36.5%
- Mitsui 20.0%
- ENH 15.0%
- Videocon 10.0%
- Bharat Petroleum 10.0%

Mozambique Offshore – Gas Area Discoveries



** internally verified*

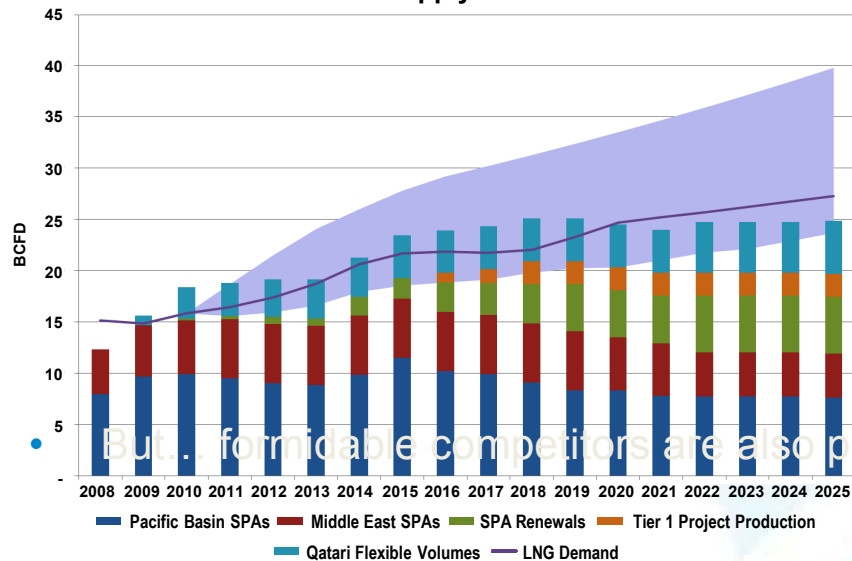
Mozambique Offshore – Barquentine



Mozambique Offshore – Why LNG Makes Sense

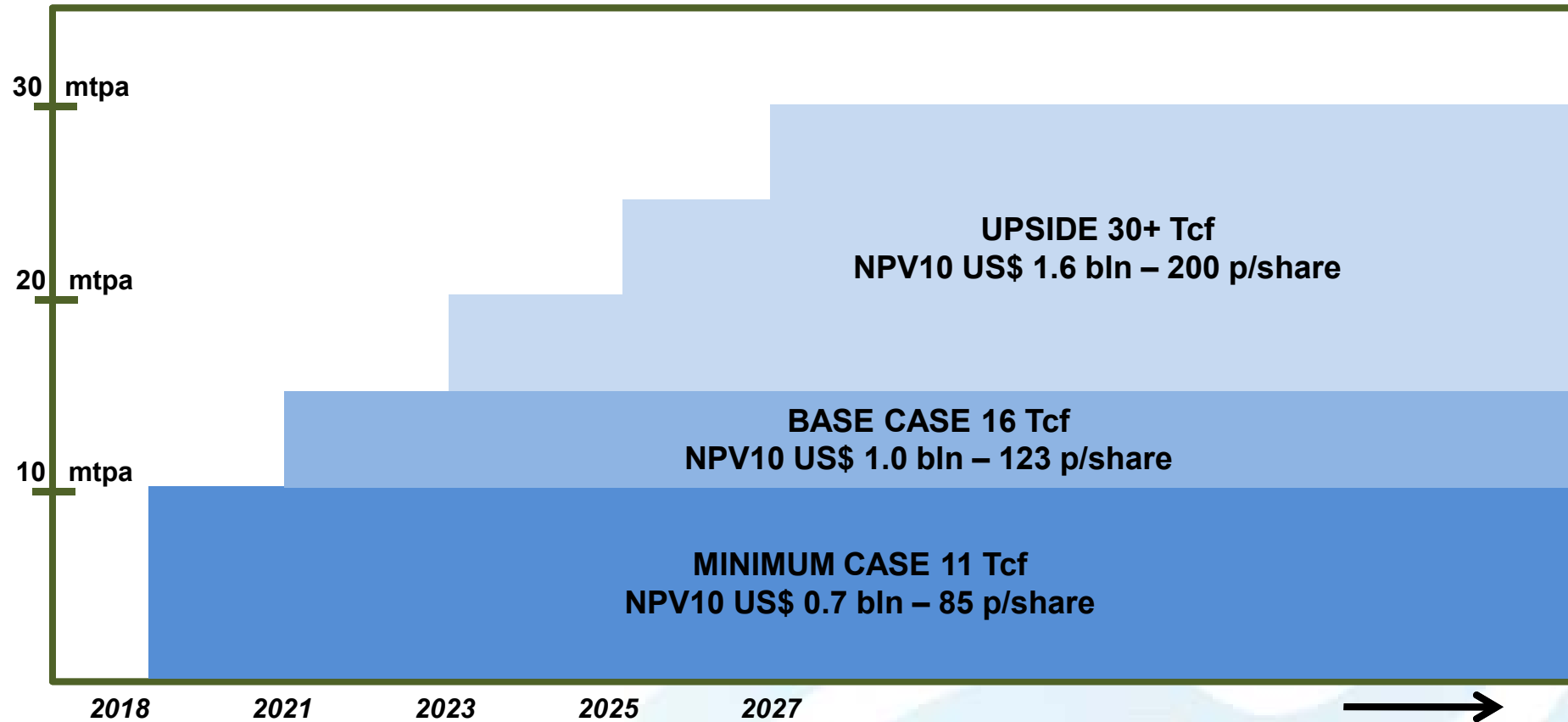
- Best economic way to develop a deepwater gas resource
- Perfect timing because of increasing global demand
- Mozambique – perfect geographic location for markets

Pacific Basin Supply & Demand



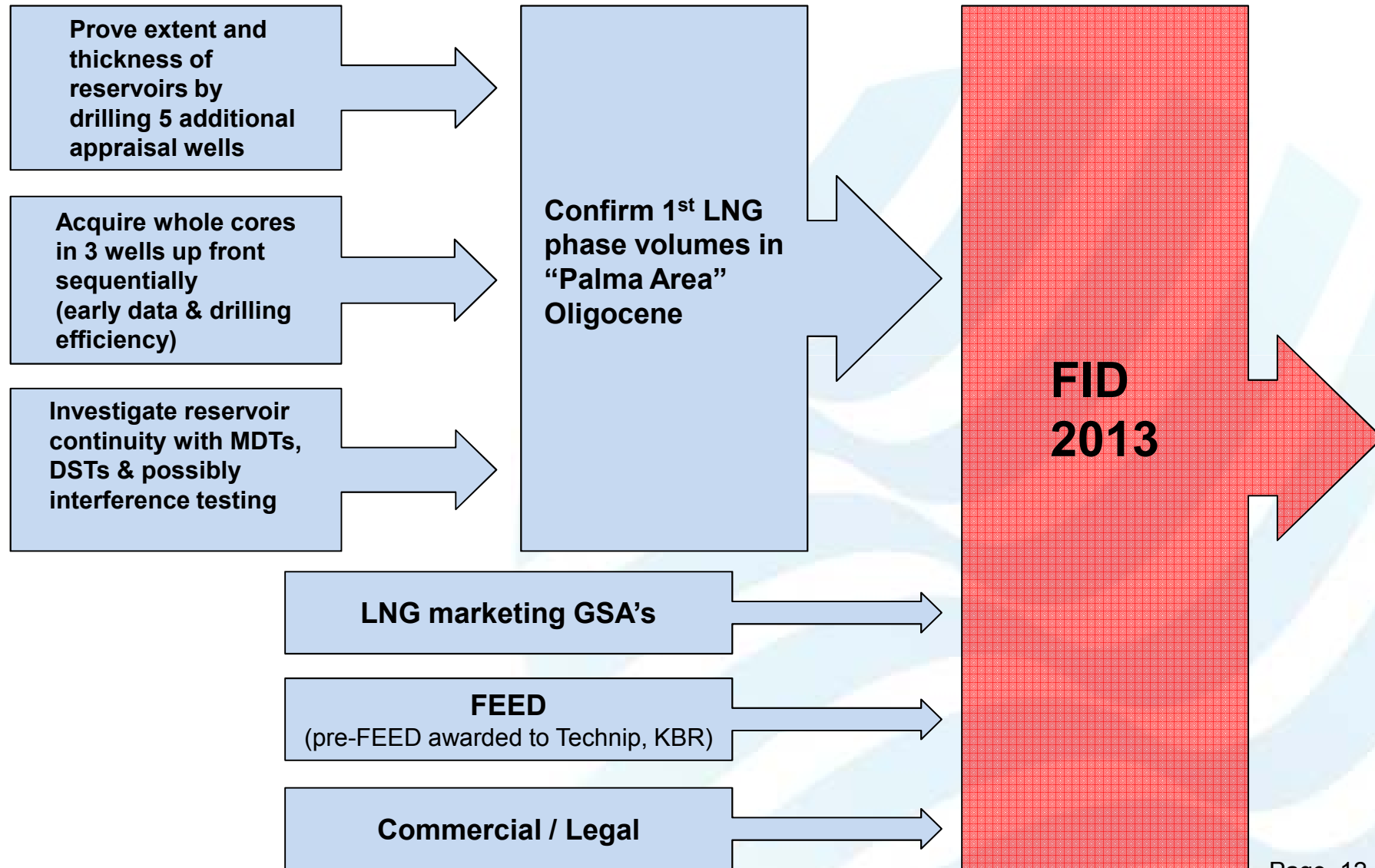
Mozambique 1st gas: 2018

Mozambique Offshore – Cove’s LNG Valuation

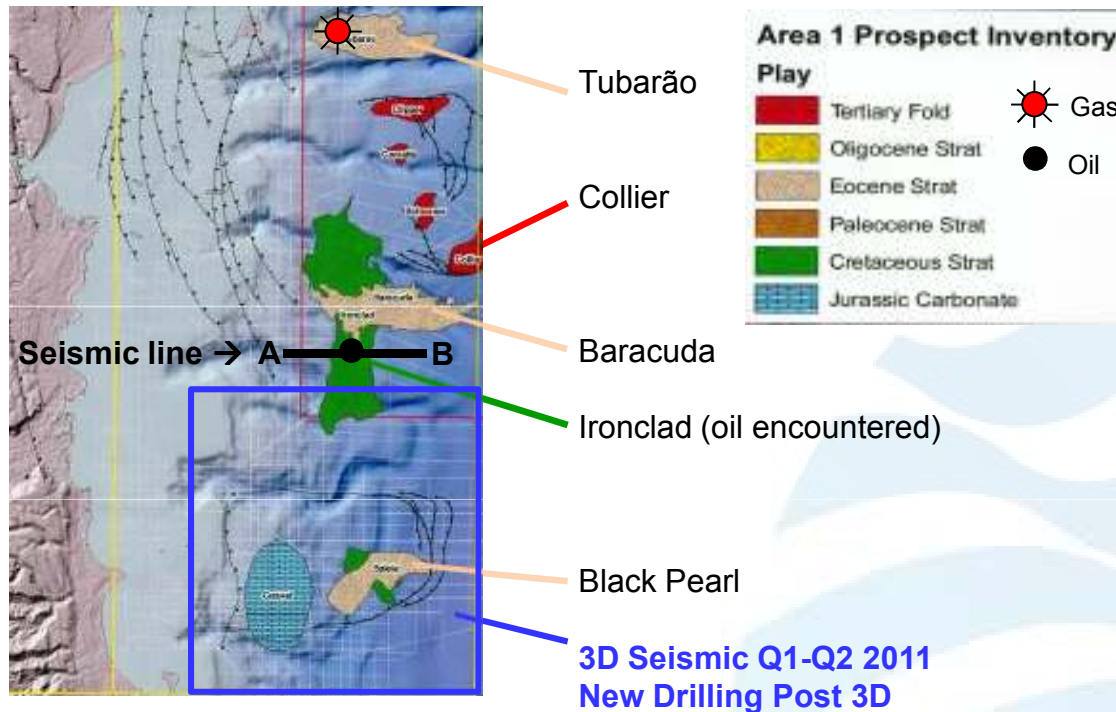


	Assumed development concept	EXPEX [\$/boe]	CAPEX [\$/boe]	OPEX [\$/boe]	Gas/LNG price [\$/mcf]	Break-even price [\$/mcf]	Fiscal terms
Upstream	-Subsea infrastructure, pipeline, onshore processing plant -Offshore compression from 2030 onwards	1.0	3.9	1.1	8.0	3.2	EPCC
LNG	-Initial development: 2x 5 mtpa onshore LNG plant -Incremental developments via 5 mtpa LNG trains	-	3.3	2.1	13.0 (FOB)	3.0 (margin)	Mozambique fiscal regime

Mozambique Offshore – Development Strategy

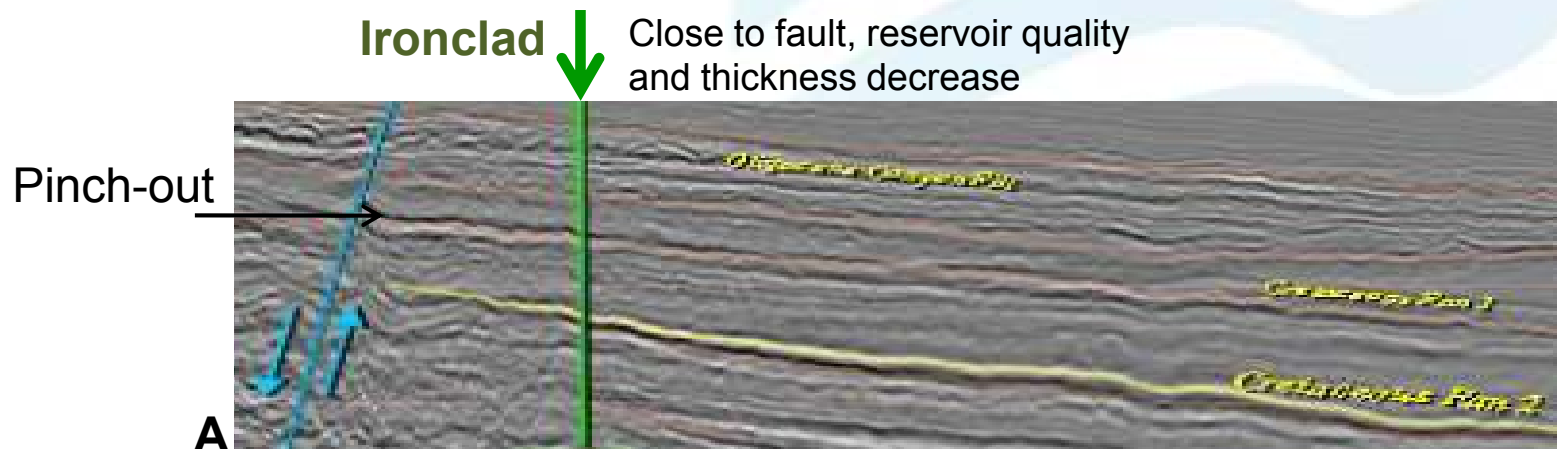


Mozambique Offshore – Southern Oil Area



Ironclad Results:

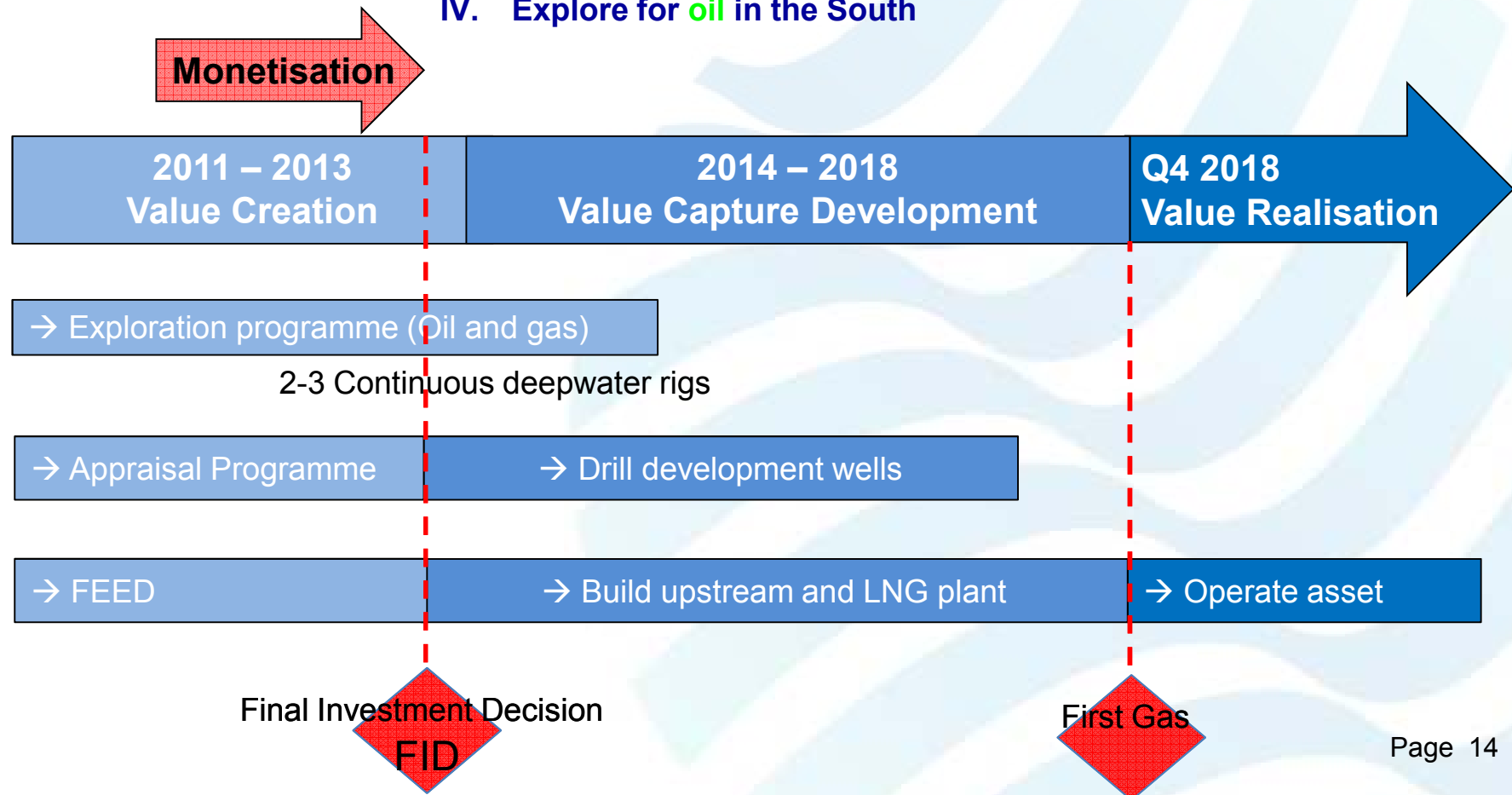
- ✓ Oil Source rock proven
- ✓ Proved the presence of oil in extensive fan system
- ✓ Cove interprets well location close to the “pinch-out” where the reservoir quality deteriorates
- ✓ New focus on delineating areas predicted to have good reservoir parameters in terms of porosity and permeability



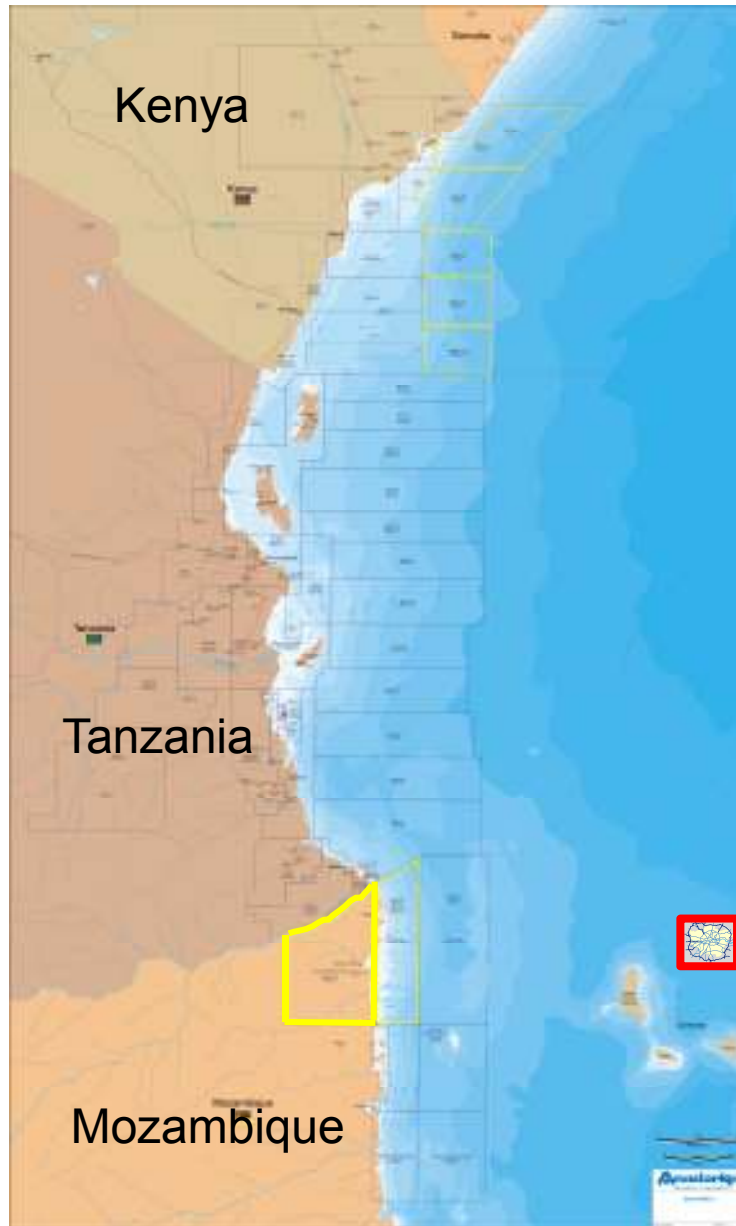
Source: ANADARKO

MOZAMBIQUE OFFSHORE STRATEGY

- I. Appraise gas resources
- II. Secure FID and LNG commercialisation
- III. Continue to explore for additional **gas**
- IV. Explore for **oil** in the South



Mozambique Onshore – Rovuma Block

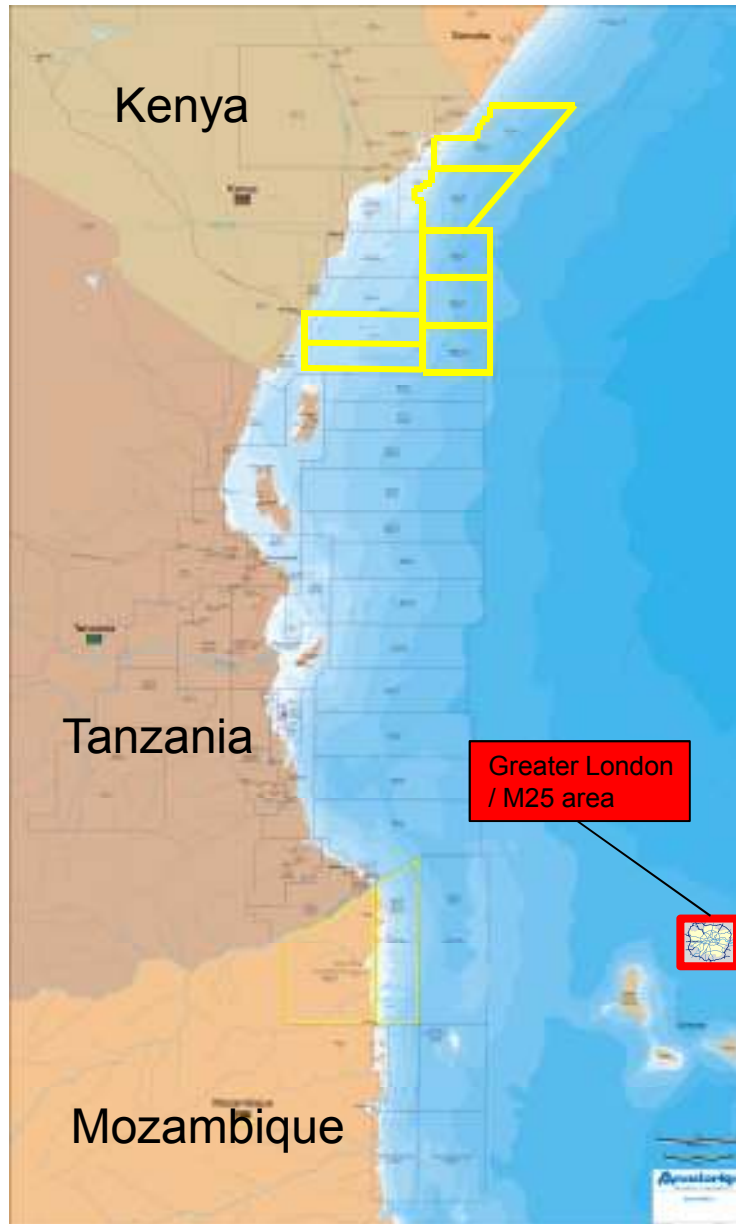


- Mecupa commitment well drilled in 2009 with encouraging results: encountered gas (non commercial) and good reservoir; more seismic needed
- 2D seismic (400 km) + 2 wells 2012/2014
- Post completion interests:

Anadarko (operator)	35.70%
Maurel & Prom	27.71%
Wentworth Resources	11.59%
ENH	15.00%
Cove Energy	10.00%

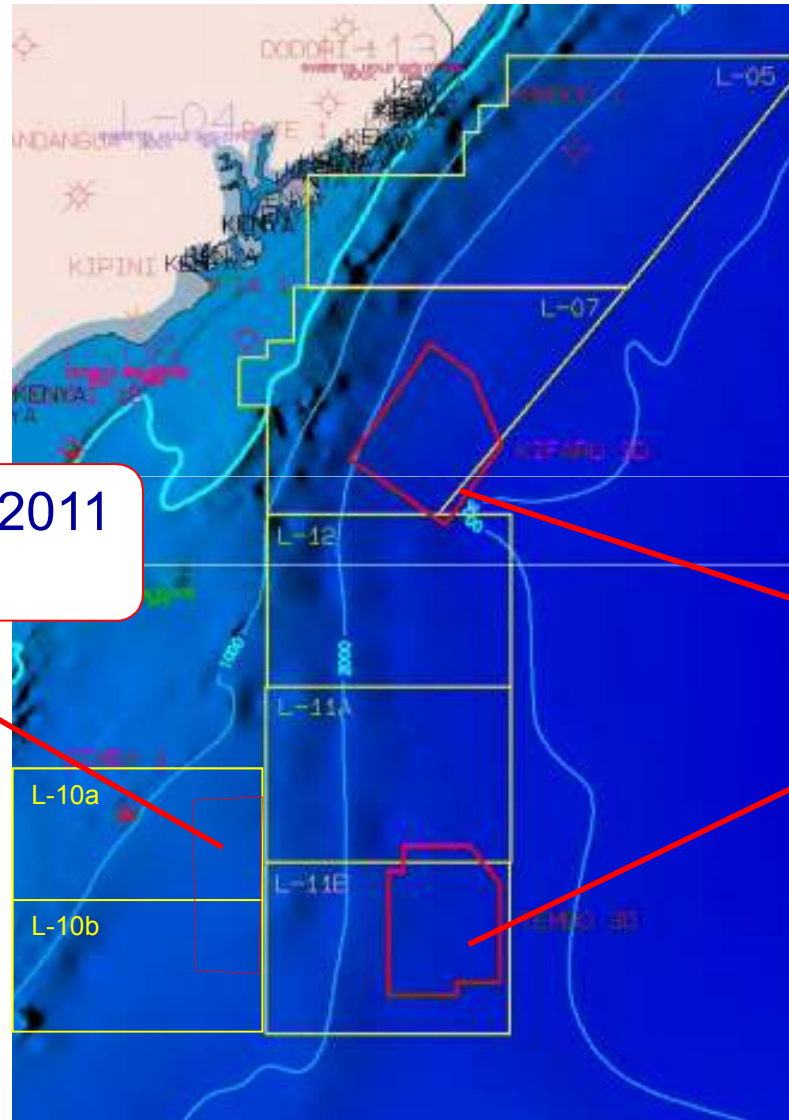
Greater London
/ M25 area

Kenya Offshore – An Emerging Opportunity



- Similar depositional environment to Rovuma basin in Mozambique. Large acreage position on East Africa margin (>10 mln acres or 40,000 km²)
- 15% WI in five blocks with Anadarko (operator) 70%, Cove 15%, DGA 15%
 - Planned activity: 3D seismic in 2011 - drilling in 2012
- Two new Blocks, BG (operator), L10A (Cove: 25%) & L10B (Cove: 15%), PSA - contracts signed
 - Planned activity: 3D seismic in 2011
 - Low cost entry
- No current well commitment
- Multiple play types
- Similar geology to Mozambique offshore
- Evidence of petroleum system (flat spots, seeps)
- Under explored - only 4 offshore wells with only 1 in deepwater area

Kenya Offshore – 2011 3D Seismic Underway



BG 3D Seismic Q4 2011
(approx. 2000 km²)

APC 3D Seismic
in progress
(approx. 3600 km²)

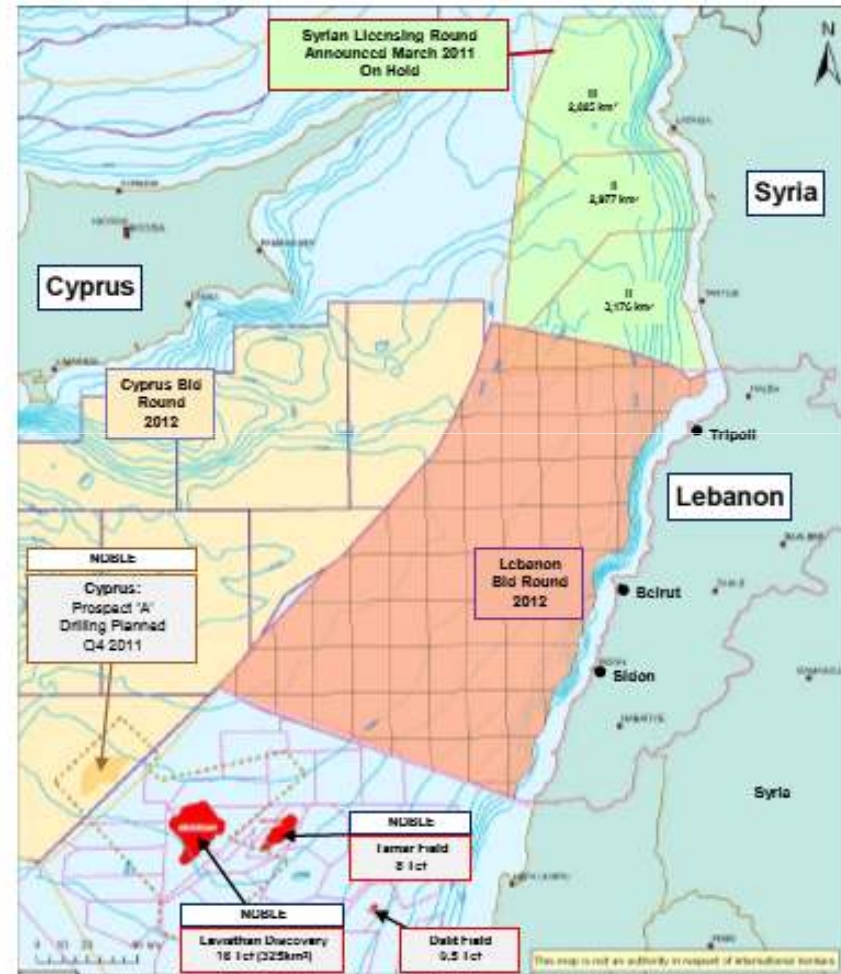
Eastern Mediterranean – Frontier Exploration



- 2012 bid rounds in:
Lebanon and Cyprus

“5C” Consortium

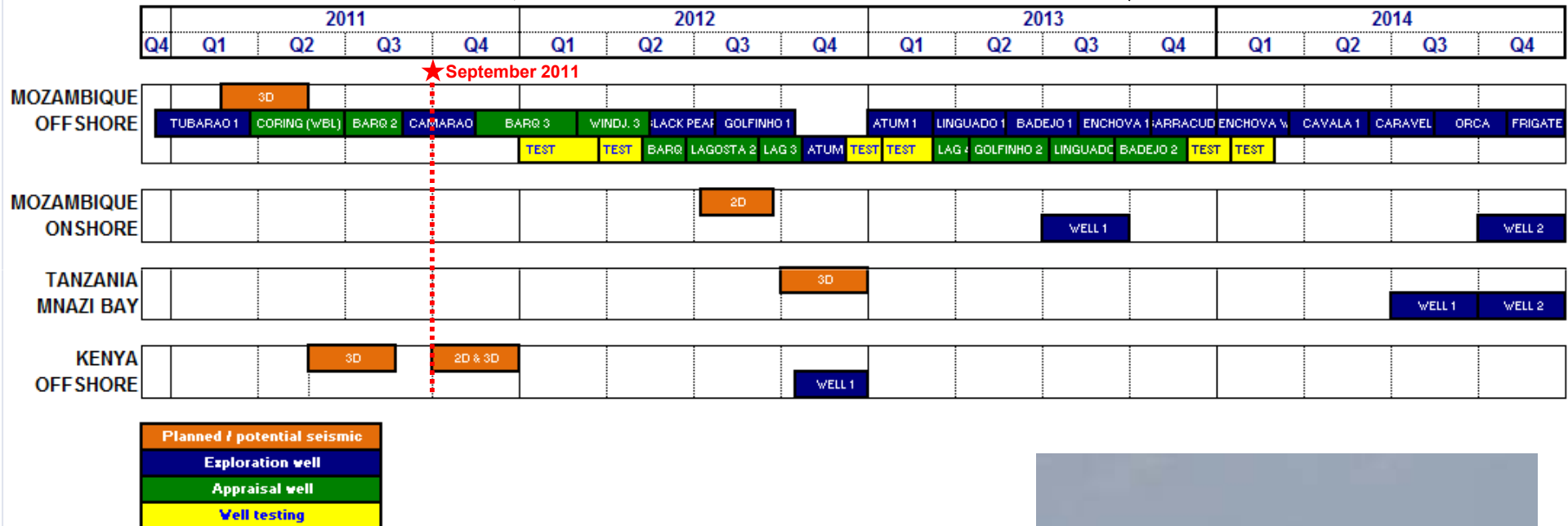
- Cairn Energy PLC (Operator)
- CC ENERGY Development SAL
Lebanese private company
 - CCED is a Lebanese independent upstream Exploration and Production company that is associated with the CCC group
 - CCED has made several discoveries in the Sultanate of Oman and is currently producing and selling crude oil from Oman
 - CCC is a leading international engineering and construction conglomerate – 5th largest contractor in the industrial/petroleum sector. In 2009 LNG Trains built by CCC were supplying ~30% of the world total annual production
- Cove Energy PLC
UK AIM listed company
 - Specialist and creative frontier explorer
 - Initial focus on East Africa (Mozambique, Tanzania and Kenya) deep water
 - Four world-class discoveries



Indicative Drilling Programme

2nd deep water drilling rig arrives

FID



Millennium (to arrive end 2011)

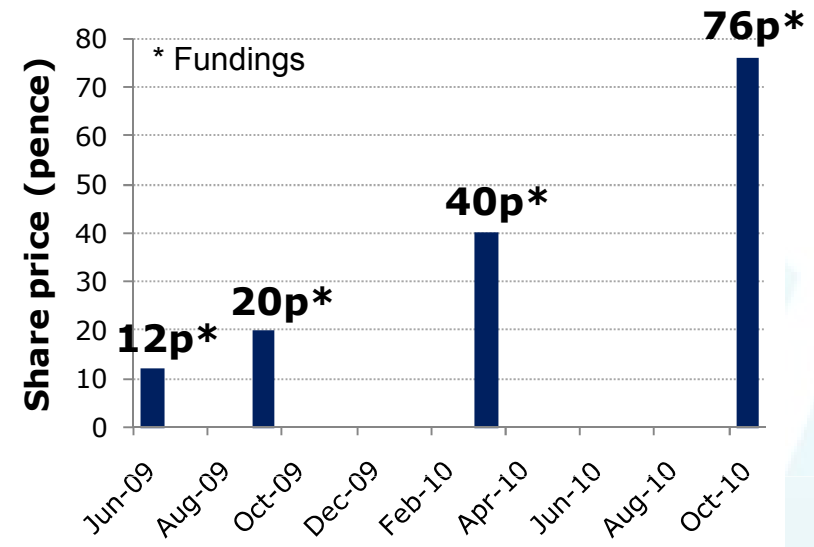


Dolphin

Strategy is Working: +£200m Value Creation

Strong institutional shareholder base

- Value accretion: >550% increase in share price since first offering in June 2009
- Significantly outperformed both the market and peers
- Market capitalisation: ca £390m (US\$ 610m)
- Funds raised: £182m (US\$ 285m)
- Cash: ca £103m (US\$ 162m)
- No debt
- Recent share price: ca 80p**



2009 Strategy

- Geology
- Young basins (3D seismic derisked)
- Emerging basins
- Reliable and proven operator
- Emphasis on delivering through the drillbit

2010 – 2011 Delivery

World Class Discoveries

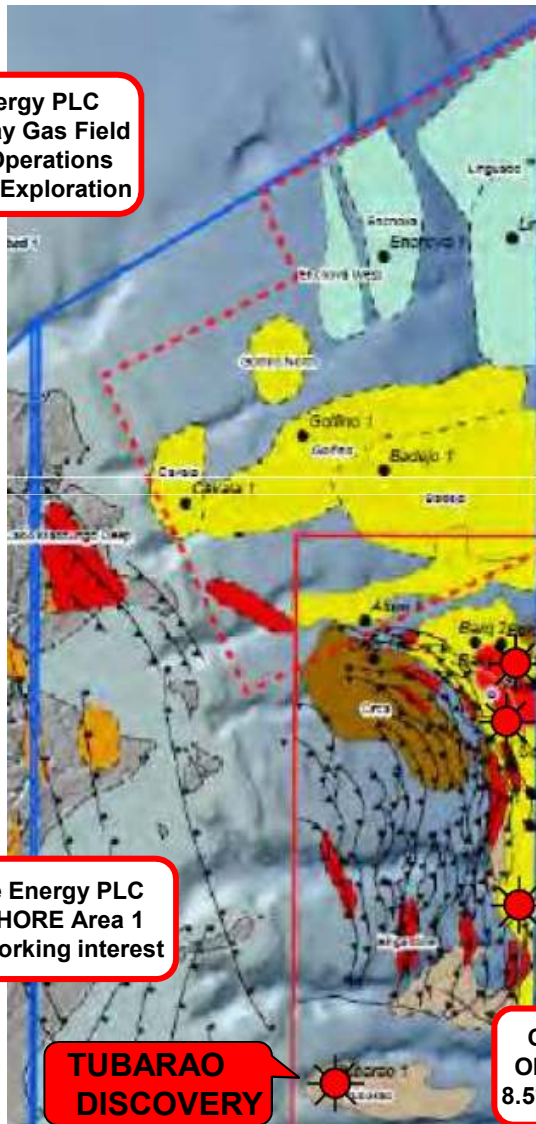
- Windjammer
- Barquentine
- Lagosta
- Tubarao
- Ironclad
- Barquentine 2 appraisal

1. Limited downside – Base case of Mozambique LNG project more than underpins current market cap
2. Significant upside potential
(2 deepwater rigs, >2-year program using new 3D seismic)
 - Mozambique offshore:
 - Additional gas resources above base case
 - Oil potential
 - Kenya offshore: 3D seismic underway, drilling scheduled
 - Mozambique onshore: seismic, drilling scheduled
 - Mnazi Bay: gas sales contracts under negotiation
3. Fully funded for exploration & appraisal programme until end of 2012



Mozambique Offshore – Gas Area Overview

Cove Energy PLC
Mnazi Bay Gas Field
16.38% Operations
20.475% Exploration



Potential Gas Resources 30 TCF

BARQUENTINE DISCOVERY

WINDJAMMER DISCOVERY

LAGOSTA DISCOVERY

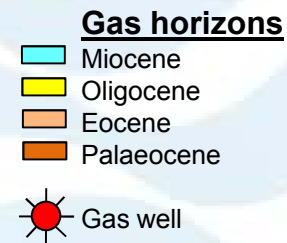
Cove Energy PLC
ONSHORE Area 1
10% working interest

TUBARAO DISCOVERY

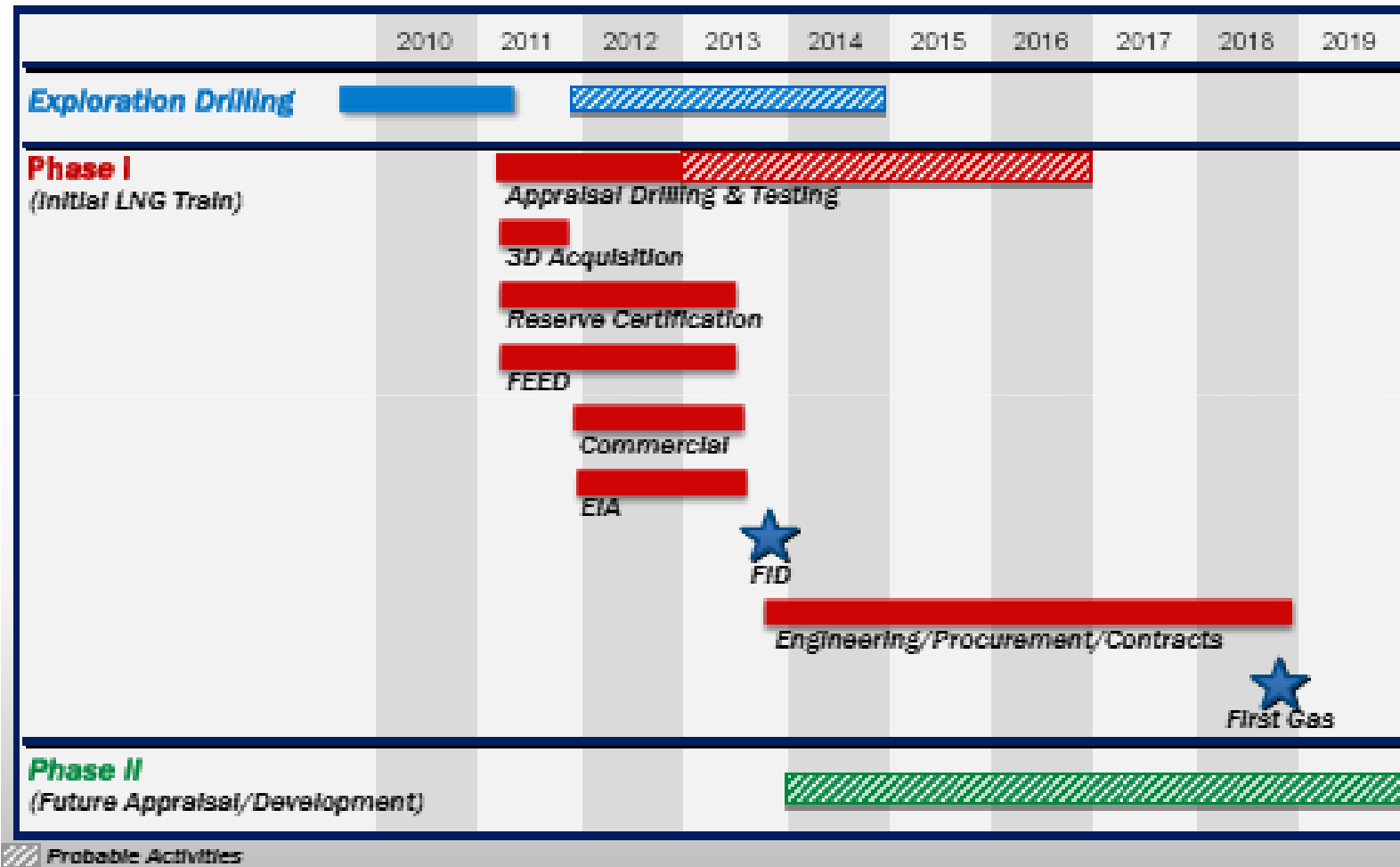
Cove Energy PLC
OFFSHORE AREA 1
8.5% working interest

Competitor Activity

- Recent BG announcement of gas discovery just north of Area 1
- Future exploration in Area 4 by ENI



Mozambique Offshore – Forward Planning

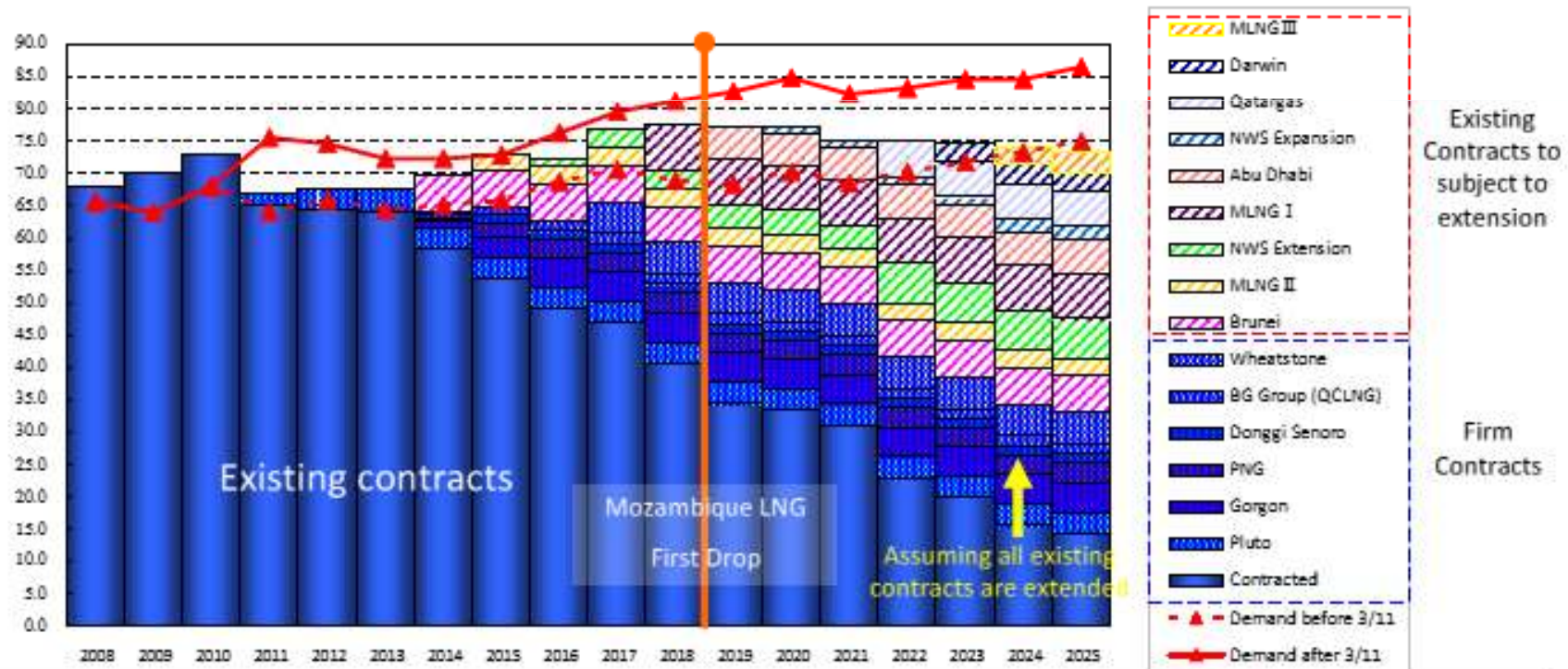


- “And in Mozambique, which is a huge success story for us, we came out here with a six-well deepwater drilling commitment. We’ve drilled those six wells. We have four discoveries that are highlighted on the presentation. We’ve aggregated the three northern ones into what we call the **LaBarquenJammer Complex**, and all of our activity this year is focused on advancing the data acquisition and knowledge on LaBarquenJammer so that we can turn over all the data required to certify reserves to an independent group at the end of the year or early next year with the idea of an **LNG development onshore that would be sanctioned in 2013 and first production in 2018.**”
- “We’re doing all of the conceptual engineering, pre-FEED work, all of the design work around that, and while I talk about a one-train solution in 2018, all of the work that’s being done is to make sure that it’s expandable, that as we define the true resource range out here that we will have the capacity to put additional trains in. And right now **they’re designing it for up to a six-train solution here at Mozambique**, so that gives you an idea of the scale of what we think we’ve found in the way of gas in Mozambique.”
- “And we’re not done with the exploration. We’ve acquired a 3D down to the South all the way to the block boundary, and then extended the existing 3D up to the North to the block boundary. The South is focused on more exploration for liquids, where we found liquids in the tight reservoir at our Ironclad prospect. We should have that data in and lead to drilling in 2012. And then to the North, it’s all focused on additional gas prospectivity that we see on the 2D that the 3D will help us define, and then will be layered into that overall LNG development, so a lot more activity there.”
- “We’ll be bringing a second deepwater rig into Mozambique towards the end of the year. That will be doing DSTs. It will free up a rig to drill additional appraisal wells and to also go and do some more exploration.”

Total LNG Supply – Demand Outlook in Japan

- LNG demand in Japan will increase dramatically in the long term taking into account;
 - Loss of nuclear power (shutdown, delay of new stations and restart of the stations under inspection)
 - The possible review of Japan’s energy policy especially regarding nuclear power

Even when assuming all the existing contracts are renewed and new projects start as planned, there will still be Demand in the Mid-Long term view.



- Gas discovery in Turbidite channel system partly developed with 4 wells tested up to 30 mln scf/d
- Seismic in 2012 - significant additional reserves potential
- Mtwara Power Project currently uses 2 mln scf/d, some \$US400k per year net income to Cove
- Well positioned for potential tie in third party gas project
- Commercialise via power, cement and other projects - two GSA's under negotiations with cement companies (20 mln scf/d) and one GSA with Tanesco for a 300 MW gas-to-power project (75 mln scf/d)

Partnership interests:

Maurel & Prom

Exploration

47.775%

Production

38.22%

Artumas (now Wentworth)

31.750%

25.40%

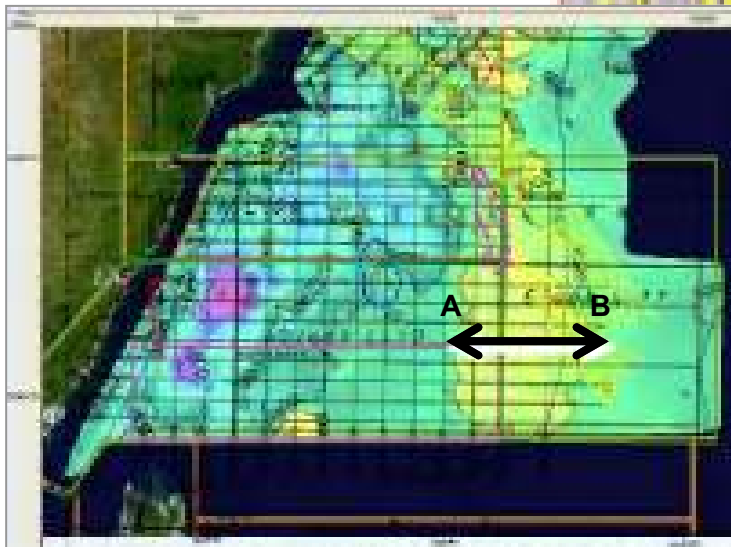
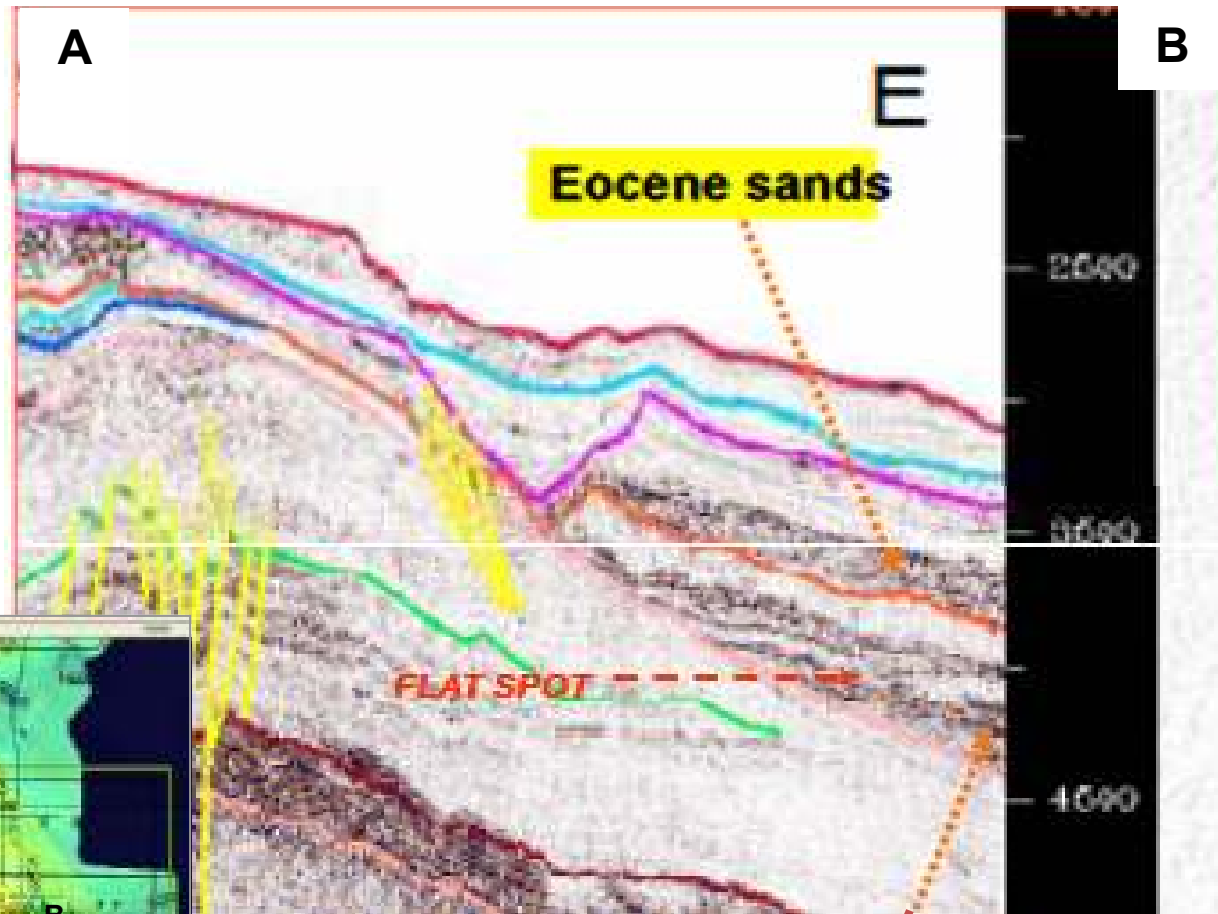
Cove Energy

20.475%

16.38%

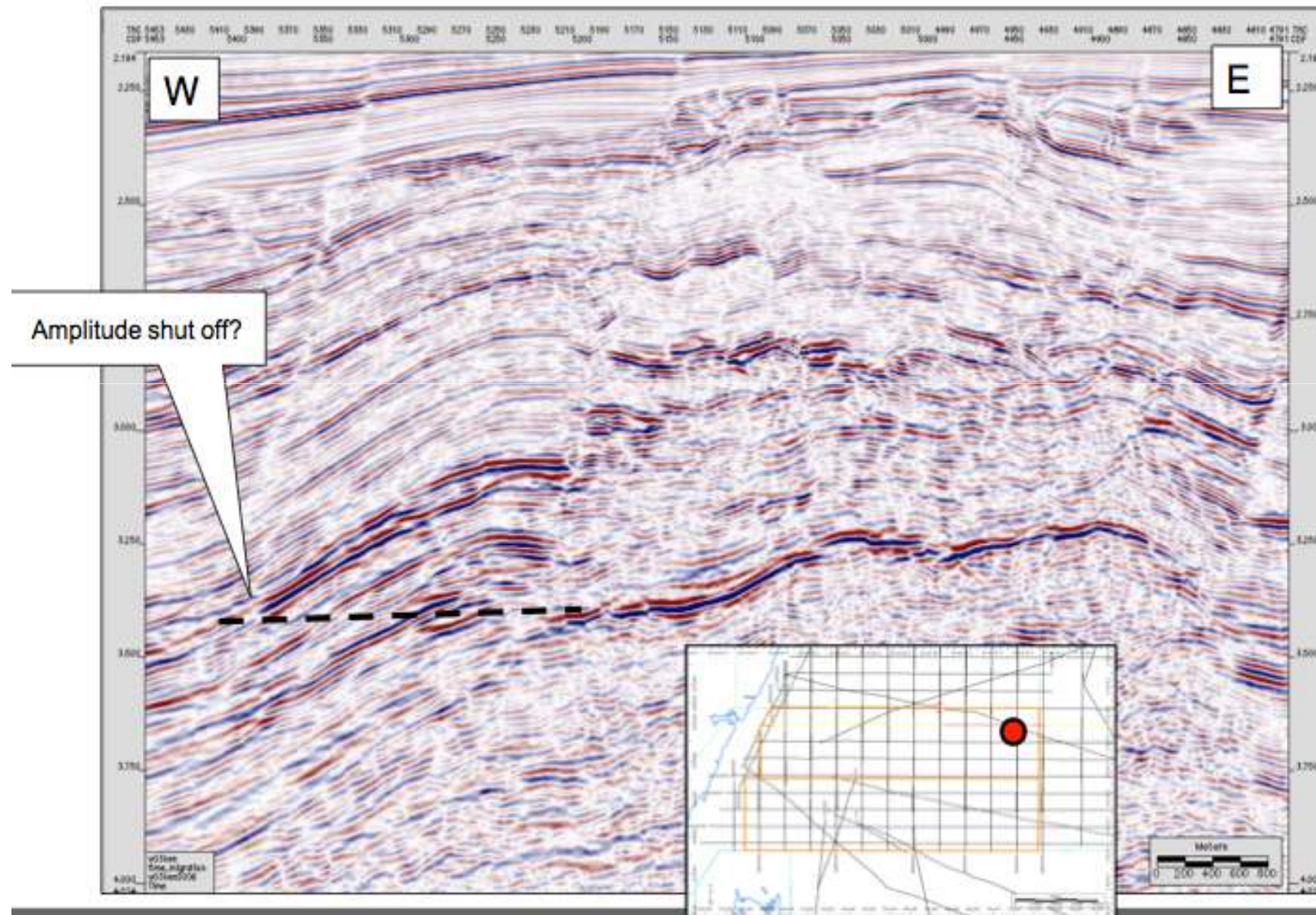
TPDC

20.00%



Maastrichtian sands

Kenya Offshore – Seismic Leads: Davy Ridge



Valuation Gap – Discount to Core NAV

