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**20 April 2010**

**Cove Energy plc  
Operations Update**

**Highlights**

- Drilling operations ceased at Collier 1 well for safety reasons
- Collier well can be re-entered
- Drilling programme continues with Ironclad prospect, followed immediately by Barquentine, near the Windjammer discovery.

Cove Energy plc ("Cove" or the "Company") has been informed by Anadarko Petroleum Corporation ("Anadarko"), operator of the Rovuma Area 1 offshore block Mozambique ("Area 1 Offshore") (Cove 10% paying interest, 8.5% net), that it has ceased drilling operations on the Collier 1 well, having encountered pore pressure issues at the top of the predicted reservoir objective, causing the operator to deem it unsafe to continue drilling. The Collier 1 well did not penetrate or fully evaluate the entire predicted objective section. For these reasons the Area 1 Offshore partners have agreed to suspend the Collier 1 well in a manner which would allow re-entry of the well bore at a later date pending analysis of all relevant well data.

The Belford Dolphin deepwater drillship continues drilling in Area 1 Offshore commencing with the Ironclad Palaeocene/Cretaceous prospect in the southern part of the 3D seismic area, to be immediately followed by the drilling of the Barquentine well which will test an independent prospect near the Windjammer discovery well. The current plan is for the rig to set surface casing on Barquentine, and then drill Ironclad before returning immediately to finish Barquentine. A map showing the location of these prospects can be found on the Cove company website.

**John Craven, CEO of Cove Energy plc, commented**

"Whilst it is regrettable that the target objectives at Collier have not yet been fully evaluated, safety is the top priority and we have to go with the recommendation of the operator in such circumstances.

"In the meantime the drilling programme advances to drill two exciting prospects, Ironclad in the south followed by Barquentine in the north, near the Windjammer discovery. At the same time evaluation of the Collier well data will continue."

- 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 35 years' experience.

**Notes to Editors**

Cove Energy is an AIM quoted E&P company with a strategy to identify and acquire oil and gas assets in the early phase of the upstream life-cycle and mature them into marketable opportunities for the medium and larger oil and utility companies.

The Company's initial focus is on Africa and the Mediterranean. Current operations in Mozambique include the Rovuma Onshore Area where Cove holds a 10% interest in the EPCC and an 8.5% interest in the EPCC covering Rovuma Offshore Area 1. A minimum four well programme on Rovuma Offshore 1 (which includes the Windjammer discovery), planned through to the end of 2010, commenced in December 2009.

Anadarko Petroleum Corporation is the Operator of both Mozambique EPCCs.

Cove Energy also has a 16.38% interest in petroleum operations (other than exploration operations) and a 20.475% interest in exploration operations in the Tanzanian Mnazi Bay concession, including the Mnazi Bay Production Sharing Contract, which contains the Mnazi Bay and Msimbati gas fields. Maurel & Prom is the Operator of these assets.

Cove operates with a minimum level of staffing but with a larger experienced "virtual" skills-pool from where it can draw on relevant experience on a case-by-case basis. The Company intends to partner and joint venture with investors and associates who will support Cove Energy with commercial skills and influence in areas where the Company intends to grow its business.

Cove Energy has a strong management team with a wealth of experience in oil and gas operations. 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 and formerly founder and, until March 2009, CEO of Petroceltic International plc, is a petroleum geologist with thirty five 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)