

This announcement replaces RNS number 1194D, amendments are as follows: *As part of the Farm-In, Cove has acquired a 16.38% interest in petroleum operations other than exploration operations and a 20.475% interest in the exploration operations in the Mnazi Bay concession for a consideration of US\$2.7 million (plus a carry described below).*

26 November 2009

Cove Energy plc

Completion of Tanzania Mnazi Bay Farm-In

- Tanzania Government approval received for the Mnazi Bay Farm-In
- approximately 124 BCF contingent gas resources (22 million BOE) net to Cove
- gas production being sold to the nearby Mtwara power station through existing production infrastructure
- substantial potential exploration upside

Cove Energy plc ("the Company" or "Cove", AIM: COV), the AIM quoted upstream oil and gas company, is pleased to announce the receipt of all necessary consents and approvals including the consent of the Government of Tanzania as represented by the Minister of Energy and Minerals and the Tanzania Petroleum Development Company ("TPDC") required pursuant to the farm-in agreement ("Farm-In") entered into together with Maurel & Prom ("M&P") (as previously announced on 18 September 2009) for the acquisition of an interest in Artumas Group's ("Artumas") Mnazi Bay Production Sharing concession.

As detailed in the Company's Admission Document dated 18 September 2009:

- the Mnazi Bay concession covers approximately 756km² and lies within the Ruvuma Basin in south-eastern Tanzania. As part of the Farm-In, Cove has acquired a 16.38% interest in petroleum operations other than exploration operations and a 20.475% interest in the exploration operations in the Mnazi Bay concession for a consideration of US\$2.7 million (plus a carry described below).
- natural gas has already been discovered in Mnazi Bay by previous operators. An independent competent person's report estimates P mean Contingent Gas Resources in the area proven by four existing discovery wells to be 757 BSCF (124 BSCF (22 million BOE) net to Cove) and an estimate of ultimate recovery of gas resources within the concession of 1,256 BCFE. The latter represents approximately 257 BCFE (45 million BOE) net to Cove.
- gas production from the Mnazi Bay concession is currently being treated, transported and sold under a gas sales contract to the nearby Mtwara power station, operated by an affiliate of Artumas. This power station has the capacity to accept significantly larger volumes of gas than those currently being consumed by it. The Directors believe that in the medium term, there are multiple options for monetising Mnazi Bay gas. The Directors together with the other joint venture partners and stakeholders intend to appraise the field activities and formulate a business plan to optimise the marketing and monetisation of the potential gas reserves.
- Subject to partner approval a 200km² 3D seismic survey and one exploration well are planned for 2011. Artumas' share of this programme will be borne by Cove and M&P in accordance with their respective interests. Two further appraisal wells may also be drilled during the course of 2011. Artumas has

the option to be carried for these wells in return for granting an additional 5% per well to M&P and Cove (in aggregate, in respect of each well).

M&P has been appointed as the upstream operator.

Cove will be making a further announcement in respect of the Area 1 Rovuma Offshore and the Rovuma Onshore Blocks in Mozambique in due course.

Commenting on the approval, John Craven CEO of Cove said:

“We are delighted to have received approval from the Tanzania Government to the Farm-In. The Mnazi Bay concession contains a substantial gas accumulation with contingent P mean resources net to Cove of some 124 BSCF (equivalent to 22 million BOE). The **cash** consideration of US\$2.7 million means that we have secured these resources for approximately 12 cents/BOE. We are now looking forward to working with our joint venture partners to appraise the field activities and formulate a business plan to optimise the marketing and monetisation of the potential gas reserves.”

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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 include the Mecupa-1 well in the Onshore Rovuma Block in northern Mozambique, where Cove has a conditional farm in agreement with Artumas to acquire a 10% participating interest in the Exploration and Production Concession Contract (“EPCC”) covering the Rovuma Onshore Area.

In addition Cove, again in northern Mozambique, has a conditional farm in agreement with Artumas to acquire an 8.5% interest in the EPCC covering Area 1 Offshore of the Rovuma Block. A four well programme is planned through to end 2010 and the first prospect is planned to spud by early December 2009. The Belford Dolphin drillship is already in country and preparing to drill and set surface casing for the first two locations.

Anadarko Petroleum Corporation is the Operator of both Mozambique EPCCs.

Cove Energy has also acquired from Artumas a 16.38% interest in petroleum operations (other than exploration operations) and a 20.475% interest in the exploration operations in the Tanzanian Mnazi Bay concession, including the Mnazi Bay Production Sharing Contract

which contains the Mnazi Bay and Msimbati gas fields. This transaction was completed together with M&P, M&P taking over the operatorship from Artumas.

The Company 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 recently 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

Mnazi Bay Partners

| Company | Petroleum Operations other than Exploration Operations (%) | Exploration Operations (%) |
|---------|--|----------------------------|
| Cove | 16.38 | 20.475 |
| M&P | 38.22 | 47.775 |
| Artumas | 25.4 | 31.75 |
| TPDC | 20 | 0 |

Definitions and Glossary

The following definitions apply throughout this announcement, unless the context requires otherwise:

| | |
|---------------------------------|---|
| “BCF” | billions of cubic feet of gas |
| “BCFE” | billions of cubic feet of gas equivalent |
| “BOE” | barrel of oil equivalent |
| “BSCF” | billion standard cubic feet of gas |
| “Mnazi Bay/Msimbati Gas Fields” | the producing gas fields located in the Mtwara region of South-Eastern Tanzania |
| “TCF” | trillions of cubic feet of gas |

Qualified Person

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.