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5th January 2010

**Cove Energy plc
Completion of Mozambique Offshore Farm-in**

Cove Energy plc ("the Company" or "Cove", AIM:COV), the AIM quoted upstream oil and gas company, is pleased to announce that following the receipt of the consent of the Government of the Republic of Mozambique, as represented by the Minister for Mineral Resources and Empresa Nacional de Hidrocarbonetos E.P. ("ENH"), Cove has now obtained all necessary consents and approvals. As such the farm-in agreement entered into by Cove for the acquisition by Cove from Artumas Group Inc. ("Artumas") of an 8.5% participating interest in the Exploration and Production Concession Contract ("EPCC") in the Rovuma Offshore Area No 1, Mozambique ("Rovuma Offshore 1") ("Rovuma Offshore Participating Interest") is now unconditional and the transfer of the Rovuma Offshore Participating Interest to Cove has been completed.

The Belford Dolphin drillship commenced a four well deep-water programme in the Rovuma Offshore 1 in December 2009 and is currently drilling on the Windjammer prospect. Anadarko Petroleum Corporation is the operator.

John Craven, CEO of Cove said:

"The acquisition of the Rovuma Offshore 1 interest signifies the successful completion of the third and final transaction with Artumas relating to assets in Tanzania and Mozambique, a transaction which was conditionally concluded in September 2009.

The Board is proud to have guided the Company through the negotiation and completion of this complex process, involving a re-admission to AIM and associated £42 million placing of new shares, and to have achieved all necessary partner and government approvals in such a short time frame.

We continue to work closely with all our partners to realise the potential value from these prospective hydrocarbon assets and, with drilling underway in the offshore, 2010 is set to be an exciting year for Cove."

- 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 recently completed acquisition of the EPCC covering Rovuma Offshore 1. A four well programme on Rovuma Offshore 1, planned through to the end of 2010, commenced in December 2009.

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.

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 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