

22 July 2009

Cove Energy plc

Option Agreement and period of exclusivity with Artumas Group Inc.

Highlights

- Joint option with Maurel & Prom to acquire interests in 3 contiguous licences in Tanzania and Mozambique with proven gas reserves and exploration upside.

Cove Energy plc (AIM: COV), the AIM quoted upstream oil and gas company (the "Company" or "Cove Energy"), announces that together with Maurel & Prom ("M&P") (together "the Option Holders") it has entered into an exclusivity and call option arrangement whereby the Option Holders have been granted the right but not the obligation to purchase certain oil and gas assets in Tanzania and Mozambique from subsidiaries of Artumas Group Inc. ("Artumas") on the basis summarised below ("the Transaction").

Under the terms of the call option agreement dated 21 July 2009 (the "Call Option Agreement") the Option Holders have been granted a call option to purchase the following assets in Tanzania and Mozambique (the "Call Option"):

- a 51% participating interest in all petroleum operations other than exploration assets and 63.75% interest in exploration operations in Mnazi Bay, Tanzania;
- a 34% participating interest in an onshore area of over 15,000 sq km in the Rovuma Delta Mozambique; and
- an 8.5% participating interest in an offshore area of over 11,000 sq km in the Rovuma Delta, Mozambique (together the "Assets").

The Tanzania block contains the Mnazi Bay and the Misimbatu Gas Fields. Artumas' website (www.artumas.com) contains information about this block including estimates relating to the gas reserves. Information relating to the Mozambique licences, which are both operated by Anadarko Petroleum, can also be found on Artumas' website. It is anticipated that work including drilling and seismic will occur in the near future.

In consideration for the grant of the Call Option, the Option Holders have agreed to pay by Thursday 23 July 2009 a non-refundable cash sum of \$1,019,969 of which M&P shall pay 70% and Cove Energy 30% of such payment.

In addition, pursuant to a separate letter agreement between Cove Energy, M&P and Artumas dated 21 July 2009 it is the intention of the parties that following completion of the Transaction, Artumas will be granted the following: (a) a carried interest on an approximately 600 square km 3D seismic acquisition program in Tanzania; (b) an option to be carried on each of two appraisal wells to be drilled in Tanzania which can be exercised by Artumas in consideration for a further assignment to Cove and M&P of a 5% participating interest in the Tanzanian concession per well; (c) an 0.85% royalty on the offshore Mozambique asset after certain costs are recovered; and (d) a carried interest through the first well in respect of Artumas' retained 15.3% participating interest in the onshore Mozambique asset.

The Option Holders may exercise the Call Option at any time up until 18 August 2009. Upon exercise of the Call Option the Option Holders will purchase the Assets subject to certain conditions being satisfied including any shareholder consents of any of the parties, any government or other regulatory authority consents and any other third party consents (the "Conditions"). Before exercising the Call Option the Company together with M&P will continue to undertake further due diligence on the Assets.

Upon all the relevant Conditions being satisfied or waived the parties will complete the Transaction and total consideration of \$10,980,031 shall be payable in cash by the Option Holders. M&P shall be responsible for paying 70% of such consideration and Cove Energy shall be responsible for paying 30% of the consideration.

There is no obligation on Cove Energy and M&P to exercise the Call Option by 18 August 2009 and in the interim period the Company intends to undertake certain legal, financial and technical due diligence with regard to the Assets, with a view to providing the board of directors of the Company with sufficient information to determine whether or not to exercise the Call Option. Accordingly, Cove Energy shareholders should be aware that there is no guarantee that the Transaction will be completed. However, in the event, that Cove Energy and M&P decide not to exercise the Call Option, neither party will be able to recover the initial \$1,019,969 already paid.

Gazprom Invest MENA has advised Cove Energy and M&P on the proposed transaction.

Commenting on the arrangement, John Craven, CEO of Cove Energy, said:

"There is substantial potential upside for our shareholders within this transaction. There is a strong resource base of proven gas reserves with substantial exploration upside in the Tanzania and Mozambique assets and we will be partnered with some of the leading companies in the region. This opportunity is consistent with our stated strategy to focus on emerging hydrocarbon basins.

I am particularly pleased to be in partnership with Maurel and Prom who have a very successful track record in Africa. Together we believe we can bring significant value through our expertise and experience to the benefit of all stakeholders in these projects."

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Note to Editors:

Cove Energy

Cove Energy is an AIM traded oil and gas company. Following a strategic review and Board changes in June 2009, the business changed its name to Cove Energy plc from Lapp Plats plc at its AGM on 2 July 2009 and changed its operational focus to oil and gas.

The Company's initial focus is on Africa and the Mediterranean. The Company is "opportunity driven" but the objective is to target assets in areas where larger oil companies are not yet active or have overlooked opportunities. Cove Energy will also seek out assets owned by companies in distress as a result, for instance, of the current global economic climate.

It is the Company's intention is to operate 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. It also 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.

Maurel & Prom

Since 2000, Maurel & Prom's business has focused on hydrocarbon exploration and production and today the group has operations in 10 countries across four continents. Maurel & Prom's business model is focussed on five main areas: exploration; production & development; acquisition of permits; arbitrage and drilling. Maurel & Prom is listed on Euronext Paris - compartment A - CAC mid 100 Index. It has a market capitalization in excess of Euro 1 billion and already has oil and gas interests in Tanzania.

www.maureletprom.fr

Artumas Group Inc.

Artumas Group Inc. is an international energy producer focused on monetising its hydrocarbon reserves in the Rovuma Delta Basin in Tanzania and Mozambique. Artumas' common shares trade on the Oslo Stock Exchange under the symbol AGI. www.artumas.com

Anadarko Petroleum

Anadarko Petroleum is among the largest independent oil and natural gas exploration and production companies in the world, with 2.28 billion barrels of oil equivalent of proved reserves at year-end 2008. Anadarko's portfolio of assets encompasses premier positions in 10 major U.S. onshore natural gas resource plays. The company is also the largest independent deepwater producer in the Gulf of Mexico, and has production and/or exploration in Alaska, Algeria, Brazil, China, Indonesia, Mozambique and West Africa. Anadarko is listed on the New York Stock Exchange under the symbol APC.

www.anadarko.com