

18 August 2009

Cove Energy plc

Option Extension Agreement and extension of period of exclusivity with

Artumas Group Inc.

Highlights

- Extension of joint option to 18 September 2009, in consortium with Maurel & Prom, to acquire interests in 3 contiguous licences in Tanzania and Mozambique with proven gas resources and exploration upside
- Suspension of trading on AIM

On 22 July 2009, Cove Energy plc (AIM: COV), the AIM quoted upstream oil and gas company (the "Company" or "Cove Energy") announced that it had, jointly with Les Etablissements Maurel & Prom ("M&P"), concluded exclusivity and call option arrangements with Artumas Group Inc. ("Artumas") on 21 July 2009 (the "Call Option Agreement") to acquire a 51% participating interest in all petroleum operations other than exploration assets and a 63.75% interest in exploration operations in Mnazi Bay, Tanzania; a 34% participating interest in Artumas' onshore assets in the Rovuma Delta, Mozambique; and an 8.5% participating interest in an offshore area in the Rovuma Delta, Mozambique (together the "Assets").

Cove Energy today announces that, together with M&P (together "the Option Holders"), it has negotiated an extension to the Call Option Agreement (the "Option Extension Agreement") pursuant to which the Option Holders' call option period and exclusivity period have each been extended until and including 18 September 2009 (the "Extended Option") in order to allow continuing legal, financial and technical due diligence investigation of the Assets by the Option Holders.

In addition, the Option Holders have also secured a further 3.6 per cent. participating interest in Artumas' production and exploration assets in Tanzania (increasing from 51 per cent. as previously reported on 22 July 2009 to 54.6 per cent.), a further 4.5 per cent. interest in exploration operations in Mnazi Bay, Tanzania (increasing from 63.75 per cent. as previously announced to 68.25 per cent.) and a reduction in the Mozambique royalty arrangement from 0.85 per cent. (or 10.0 per cent. of Cove Energy's 8.5 per cent. interest) to 0.544 per cent. (or 6.4 per cent. of Cove Energy's 8.5 per cent. interest).

In consideration of the grant of the Extended Option and the other amendments outlined below, the Option Holders have agreed to pay, by no later than 19 August 2009, the cash calls due for July and August in respect of Artumas' Mozambique Assets of US\$3,603,903.44 of which M&P has agreed to pay US\$1,759,811.66 and Cove Energy's share is US\$1,844,091.78.

The Option Holders may exercise the Extended Option at any time up to and including 18 September 2009 (subject to certain conditions being satisfied) but there is no obligation on the Option Holders to exercise the Extended Option. Accordingly, Shareholders should be

aware that the purchase of the Assets may not be completed. The remaining conditions of the Call Option Agreement (including the transfer price of US\$10,980,031) remain unchanged.

Following the Company's due diligence review to date and subsequent negotiation of the current structure of the transaction, the Company is in contemplation of a transaction which would constitute a reverse takeover under the AIM Rules. The quotation of Cove Energy's shares from trading on AIM is being temporarily suspended pending publication by the Company of a new AIM Admission document. The new AIM Admission document will include details of a proposed placing of new ordinary shares to provide Cove Energy with sufficient working capital for its requirements.

Gazprombank Invest MENA has advised Cove Energy and Maurel & Prom on the completed and proposed transactions.

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

"Our work over the past four weeks has reconfirmed our confidence on the prospectivity and upside potential of the Tanzanian and Mozambique assets. The size of the Mozambique opportunities require some additional time for appraisal but I am pleased that we are developing a strong appreciation of the opportunities and challenges facing us in both the Onshore and Offshore blocks. I am also pleased to confirm to our shareholders that your Board believes that there is a strong resource base of proven hydrocarbon resources with substantial exploration upside in the assets."

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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 of approximately €1.5 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