

11 September 2009

Cove Energy plc

Establishment of joint venture with Quantic Limited

Cove Energy plc (AIM: COV), the AIM quoted upstream oil and gas company (the "Company" or "Cove Energy"), announces that it is today posting a circular to shareholders in connection with a proposed grant of the Directors' authorities to issue Ordinary Shares together with a disapplication of pre-emption rights under the Companies Act 2006; the adoption of the new Articles of Association; and the approval of Share Option Schemes. The circular contains details why the Company is seeking such resolutions and provides shareholders with information to enable them to exercise their vote at the forthcoming EGM of the Company to be held on 5 October at 10.00 a.m. at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU. A copy of the circular (and the Notice of EGM set out at the end of that document) will shortly be available on Cove Energy's website: www.cove-energy.com.

Cove Energy is also pleased to announce that, in accordance with the terms of the memorandum of understanding between the Company and Quantic Group (the "MoU") and announced by the Company on 29 June 2009, a joint venture company has now been incorporated to facilitate access to finance and asset opportunities in the Lebanon and Cyprus. The joint venture company, called Cedar Resources Holding Limited ("Cedar") is owned 80 per cent. by Quantic Group and 20 per cent. by Cove Energy. Quantic Group is a private investment group operating in certain areas of the oil and gas sector and merchant banking across Africa and the Middle East.

Under the terms of the MoU and as previously announced, Cove Energy is required following the incorporation of Cedar, to grant warrants to subscribe for new ordinary shares of 1 pence each in the capital of the Company (the "Ordinary Shares") to Quantic Group. Accordingly, the Company has now granted 3,000,000 warrants to Quantic Group to subscribe for Ordinary Shares in the Company at an exercise price of 1 pence per Ordinary Share and a further 6,000,000 warrants to subscribe for Ordinary Shares at an exercise price of 22 pence per Ordinary Share (together the "Warrants"). The Warrants will be exercisable at any time up to 18 months from the date of grant. Any Ordinary Shares issued as a result of the exercise of the Warrants will, from the date of issue, be subject to a 12 month lock-in agreement between the Company, Quantic Group and Cenkos Securities Plc.

The Company remains 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 was temporarily suspended on 18 August 2009 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. Following publication of a new AIM Admission document, it is expected that the quotation of Cove Energy's shares will be reinstated to trading on AIM.

Commenting on the finalisation of the Cedar joint venture, John Craven, CEO of Cove Energy, said:

"We are pleased that we have formalised the structure with Quantic Group to target upstream oil and gas opportunities in the Eastern Mediterranean, utilising the specific commercial, financial and negotiating skills contained within the JV."

For further information, please contact:

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Note to Editors:

Cove Energy

Cove Energy is an AIM quoted 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 emerging areas where larger oil companies are not yet active or have overlooked opportunities. Cove Energy will also target assets owned by companies in distress.

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.

Quantic Group

Quantic Group owns 70 per cent. of Gazprombank Invest (MENA) in Beirut, Lebanon, with the balance of 30 per cent. owned by OAO Gazprom. Quantic Group is a group comprising various companies created with the intention of forming the core of an oil organization active in all levels of activities traditionally associated with companies present in this sector - production, trading, refining, distribution and financing (www.quanticoil.com). OAO Gazprom is the world's largest gas company focused on geological exploration, production, transmission, storage, processing and marketing of gas and other hydrocarbons (www.gazprom.com).