

QUARTERLY ACTIVITIES REPORT
For the quarter ended 31 December 2015

ASX RELEASE

29 January 2016

Cove Resources Limited (ASX: CVE) is pleased to provide its activity report for the quarter ended 31 December 2015:

Acquisition of Bid Energy

In November 2015 the Company announced that it had executed a term sheet to acquire 100% of cloud-based energy spend management platform provider, **BidEnergy Pty Ltd**

The highlights of the transaction include;

- Disruptive, SaaS energy spend management platform – single solution to manage a customer's entire energy spend life cycle: from strategic sourcing, category management through to finance and accounts payable
- Innovative 'combinatorial auctions' offer a revolutionary energy sourcing solution for multi-site energy customers i.e. retail chains, banks, real estate, utilities and government
- Fully integrated 'big data' platform that manages all supplier bills, rapid interval data (smart meters), tariffs, and contracts
- Bills automatically receipted and validated with full payment integration to all Enterprise Resource Planning platforms including SAP, Oracle and Microsoft
- Global reach with offices and customers in Australia, New Zealand and the UK – initial focus on energy with growth to other deregulated utility markets including gas and water
- Over 4,500 sites under management from industries including banking, retail, government, health care, and leisure services
- Incoming executive team and board of directors with significant experience in managing private and listed energy and software companies
- Cygnet Capital Pty Limited and Canaccord Genuity (Australia) Limited to joint lead manage an institutional re-compliance capital raising to raise \$7M to fund business development and expansion to the USA

BidEnergy Overview

BidEnergy is an established Australian technology company, which has developed an innovative cloud-based energy spend management platform that provides end-to-end automation of energy sourcing, billing and data management for multi-site energy consumers. The platform is applicable to any deregulated utility market globally and is currently accessed by over 70 energy suppliers in Australia, New Zealand and the UK.

Source-to-Pay Platform

There are many inherent difficulties for multi-site organisations trying to manage their energy spend. For a start, the bills are complex, making them difficult to validate. Fearing a data deluge, many organisations stick with one supplier and outsource the management function to an external consultant where they lose visibility and control. Whether managed in-house or externally, the processes for receipting, validating and paying bills are manually intensive, leading to delays, inaccuracies and for many organisations, unexpected back-bill problems that can be undermine financial reporting.

With a vision to solving these global problems and returning control to customers, BidEnergy has developed a disruptive, cloud-based, source-to-pay energy spend management platform that enables users to manage their energy spend life cycle - from sourcing, category management through to finance and accounts payable.

Starting with energy sourcing, BidEnergy's platform incorporates a 'combinatorial' or flexible-packaging auction that provides an advanced energy sourcing solution for multi-site energy customers. The combinatorial auction enables customers to examine all options from every retailer for all or part of their portfolio.

From sourcing through to payment, the platform aims to deliver full automation of the energy spend lifecycle. At the time of invoicing, the platform captures the original tax invoice and analyses the data using a proprietary methodology and conducting algorithmic validation on each line item. The algorithms then analyse existing energy usage profiles, network charges, demand charges and environmental charges to identify additional savings opportunities. Bills are 'straight-through-processed' with a simple integration to the buyer's accounts payable system.

Data is always available and accurate, allowing buyers to respond to market opportunities in a matter of hours not weeks. Suppliers are notified and a new combinatorial bidding process is initiated to identify the lowest cost supply configuration available in the market.

BidEnergy delivers a very compelling proposition with significant savings and productivity gains throughout the procurement and contract management process.

Mr. Winton Willesee, Executive Chairman of Cove commented at the time that "The board is delighted to have executed a term sheet for the acquisition of BidEnergy. Completion of the acquisition will provide shareholders with early exposure to a disruptive and rapidly expanding global technology company. With established revenue and over 4,500 sites under management, BidEnergy has proven that its proprietary platform can solve inherent process issues and deliver significant savings throughout the energy procurement lifecycle. We are particularly excited to be joining BidEnergy as the company enters an expansionary phase of development"

Progress on Transaction

The transaction is progressing with the preparation of the transaction and shareholders meeting documents being finalised concurrently with ongoing due diligence.

The Company anticipates being in a position to provide further details, including the notice of shareholder meeting and accompanying explanatory statement, shortly.

Exploration Projects

Under the terms of the agreements to acquire Bid Energy the Company is required to divest its existing resource assets. This process has commenced and the Company is actively seeking potential acquirers and expects to have those divestments completed before settlement of the acquisition of Bid Energy.

Further Information:

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About Cove Resources Limited

The Company is a gold and copper focused exploration company that is transforming into a new look company in a new industry via the acquisition of Bid Energy.

Annexure A – Tenement Schedule

Lease	Project	Lease Status
P29/2153	Goongarrie	Granted
P29/2154	Goongarrie	Granted
P29/2155	Goongarrie	Granted
P29/2156	Goongarrie	Granted
P46/1752	Quartz Circle	Granted
P46/1753	Quartz Circle	Granted
P46/1754	Quartz Circle	Granted
P46/1825	Quartz Circle	Granted
P46/1826	Quartz Circle	Granted
P46/1827	Quartz Circle	Granted
P46/1828	Quartz Circle	Granted
P46/1829	Quartz Circle	Granted