

COVE COMPLETES DUE DILIGENCE AND EXECUTES SHARE SALE AND PURCHASE AGREEMENT FOR THE ACQUISITION OF BIDENERGY

ASX RELEASE

14 March 2016

Cove Resources Limited (ASX: CVE and CVEO) ("Cove" or "the Company") is pleased to provide an update on the progress of the proposed acquisition of 100% of the issued capital of cloud-based energy spend management platform provider, BidEnergy Pty Ltd ("BidEnergy").

Following the completion of legal, financial, technical and market due diligence investigations the Company has executed a binding share sale and purchase agreement with the majority vendors of BidEnergy. The effect of the agreement is that, subject to the satisfaction of certain conditions precedent, the Company has agreed to acquire all of the issued securities of BidEnergy. The Company will now proceed to execute share sale and purchase agreements with the minority vendors and complete the previously announced capital raising, share consolidation and ASX re-compliance.

In the meantime, the Company looks forward to updating shareholders on the development and growth of BidEnergy's products, contracts and business.

Completion of the acquisition remains subject to various conditions precedent including shareholder approval and re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. The indicative timing of the finalisation of the notice of meeting, the shareholder meeting and lodgement of the prospectus for the capital raising and re-compliance are detailed in the indicative timetable below.

Indicative Timetable

An indicative timetable for the transaction is set out below. The Company notes that the timetable may be subject to change.

Event	Date
Dispatch Notice of Meeting seeking approval for the acquisition of BidEnergy	29 March 2016
Lodgment of prospectus with ASIC	11 April 2016
General Meeting to approve the acquisition of BidEnergy	28 April 2016
Complete acquisition of BidEnergy	20 May 2016
Re-quotation of shares on ASX	3 June 2016

Indicative Capital Structure

Following completion of the acquisition of BidEnergy and re-instatement to trading on ASX, the indicative capital structure of the Company is set out below.

	Shares	Options ⁴	Performance Shares
Current Shareholders	994,791,861	569,000,000	
Post Share Consolidation¹	49,739,593	28,450,000²	
Consideration to acquire BidEnergy	201,396,700	54,637,151 ³	70,000,000 ⁴
Capital Raising	70,000,000 ⁵	25,000,000 ⁶	
Post-Acquisition Capital Structure	321,136,293	108,087,151	70,000,000

Notes:

1. Proposed consolidation of securities to be completed on the basis of 20 to 1.
2. ASX:CVEO (exercisable at \$0.10, 30 June 2019)
3. Includes: 10,798,670 options (exercisable at \$0.10, 30 September 2017), 9,243,759 options (exercisable at \$0.125, 31 December 2018), 23,514,921 options (exercisable at \$0.15, within 3 years of issue) and 11,079,801 CVE Performance Rights to be issued to employees of BidEnergy in exchange for existing BidEnergy Employee Share and Option Plan entitlements (exercisable at \$0.10, vesting over a 4 year period).
4. Performance Shares to convert in two even tranches upon achievement of revenue milestones.
5. Assumes completion of a re-compliance capital raising to raise a minimum of \$7,000,000 at \$0.10.
6. 25,000,000 options (exercisable at \$0.15, 30 June 2019).

-ENDS-

Further Information:

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BidEnergy Pty Ltd

BidEnergy is an established Australian technology company, which has developed an innovative cloud-based energy spend management platform that enables users to manage their energy spend life cycle - from sourcing, category management through to finance and accounts payable.

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.