

# COVENANT RESOURCES LTD.

Covenant Resources Ltd. (CNSX: CVA)  
Shares Issued – 27,040,000  
September 17, 2010 – News Release

## NEWS RELEASE

### COVENANT RESOURCES LTD. ANNOUNCES PRIVATE PLACEMENT

September 17, 2010 – Vancouver, British Columbia

Covenant Resources Ltd. (the “Company”) (CNSX: CVA) announces that it has negotiated a non-brokered private placement for a maximum of 2,500,000 units at a price of \$0.20 per unit, for total gross proceeds of \$500,000. Each unit is comprised of one (1) common share and one (1) share purchase warrant. Each warrant entitles the holder to purchase one (1) additional common share of the Company for a period of one year at a price of \$0.30 per share. The private placement will be subject to regulatory approval. In addition, all securities will be subject to a hold period of four (4) months from the date they are issued. The private placement will be subject to a finder’s fee of 6% cash fee and 6% broker warrants.

It is anticipated that the funds from the private placement will be used for exploration on the Company’s recently acquired Alberta Basin properties in Montana (Sweetgrass Arch).

The Company is a junior natural resource exploration company focused on the acquisition, exploration, and development of economically viable natural resources. The Company currently owns 41,500 net acres of oil and gas leases in “The SweetGrass Arch” Prospect located in Toole and Pondera Counties, Montana. The SweetGrass Arch prospect has significant gas potential as well as Bakken oil potential. The Company continues to seek additional oil and gas properties.

The Company Trades on the CNSX under the trading symbol “CVA”.

The CNSX does not accept responsibility for the adequacy or accuracy of this news release.

For more information, please refer to the Company’s prospectus and engineering report available on SEDAR ([www.sedar.com](http://www.sedar.com)).

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