

**Covenant Resources Signs Definitive Agreement for
Acquisition of 41,500 acres in the Alberta Basin,
Montana**

September 08, 2010 – Vancouver, British Columbia

Mr. Frank Port, President and CEO of Covenant Resources Ltd. ("Covenant" or the "Company") (CNSX:CVA), wishes to announce the signing of a Definitive Agreement with Damont Energy Inc. ("Damont") for the acquisition of oil and gas leases in Montana.

Pursuant to the Letter of Intent announced on August 11, 2010, the Definitive Agreement has been executed by the parties for Covenant to acquire Damont's right, title and interest in 41,500 net acres of oil and gas leases in "The SweetGrass Arch" Prospect located in Toole and Pondera Counties, Montana. The SweetGrass Arch (Alberta Basin) prospect has significant gas potential as well as Bakken oil potential.

The cost of the acquisition is \$3,822,222 through the issuance of 19,111,110 shares of Covenant at a deemed price of \$0.20 per share. A finder's fee of \$228,000 is to be paid by Covenant via the issue of 1,140,000 shares of the Company to ABC Capital Holdings Ltd. for identifying this property. All the shares will be subject to a 3 year time release escrow, whereby 15% is to be released every 6 months. The effective date of the acquisition is August 01, 2010.

The Company is a junior natural resource exploration company focused on the acquisition, exploration, and development of economically viable natural resources. The Company continues to seek additional natural resource opportunities including properties that may lead to oil and gas exploration or any other opportunities that may fall under "natural resources" sector.

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).

For further information contact:

Frank Port
President, Chief Executive Officer, and Director
604-805-9999

E-mail: frank@covenantresources.com
www.covenantresources.com