



16 May 2005

Providence Resources Plc (“Providence” or “the Company”)

**Preliminary Results
for the year ended 31 December 2004**

Highlights

- Strong financial results & strengthened balance sheet
- Turnover up 39% to €1.05 million
- Profit after tax €165,000 (2003: loss after tax €580,000)
- Nigerian oil field drilling programme on schedule this summer
- New licences awarded offshore Ireland and UK
- Providence to apply for AIM admission in London
- Tony O’Reilly Jnr appointed Deputy Chairman

The Company is pleased to announce preliminary financial results for the year ended 31 December 2004. In the period under review, the Company undertook a major drilling programme offshore Ireland; entered into an international consortium on the AJE field offshore Nigeria; secured substantial offshore licence interests in Ireland and the UK; and continued extensive exploration work on a number of its existing Irish prospects.

Dr Brian Hillery, Chairman, said:

“This has been a transformative year for Providence, We had a strong financial performance but, more importantly, Providence’s opportunity in the Aje field offshore Nigeria, licence awards in the Porcupine Basin and progress in St. George’s Channel made 2004 a successful year for the business. Already in 2005, we have had a number of positive developments, and we can look to the future with optimism.”

“We are delighted to announce that Tony O’Reilly Jnr, a director since we first floated in 1997, has been appointed Deputy Chairman. His family are our largest shareholders and Tony has a proven track record in mineral exploration and exploitation since 1991.”

Tony O'Reilly Jnr, Deputy Chairman, said:

"While Providence is a long-established business, it is only beginning to reach its potential: 2004 presented particularly exciting opportunities which continue to further strengthen the Company during the current year. We plan to join the London Stock Exchange's AIM market because it is Europe's key stock exchange for oil and gas companies and will introduce us to a much wider pool of potential investors. We will retain our Irish quote where we have successfully raised investment capital over the past eight years. I am delighted to be appointed Deputy Chairman and look forward to helping drive the business forward at this important stage in its evolution."

Contacts

Providence

Dr. Brian Hillery
Tony O'Reilly Jnr
Tony Odone
Stephen Carroll
John O'Sullivan

Tel: +353 1 6675740

Chairman
Deputy Chairman
Chief Operating Officer
Finance Director
Exploration Manager

Powerscourt

Rory Godson
Victoria Brough

Tel: +44 (0) 207 236 5615

Mob: +44 (0) 7909 926 020
Mob: +44 (0) 7967 044 840

Murray Consultants

Pauline McAlester

Tel: +353 1 4980300

Financial

Turnover for the year ended 31 December, 2004 was €1,051,000 (2004 €757,000). All of this came from the Company's interest in the producing UK onshore Singleton oil field. Revenue benefited from the higher oil price in 2004 with the average oil price per barrel at US\$38 compared to US\$29 in 2003. The Company is currently looking at proposals to increase production from Singleton in 2005.

An operating profit of €95,000 was recorded in 2004 (2003: operating loss €163,000). The profit on ordinary activities after taxation was €165,000 (2003: loss of €580,000), principally due to increased net interest income. Shareholders' funds increased to €17,235,000 in 2004 (2003: €4,617,000) through the raising of equity finance. Cash at bank at 31 December 2004, was €7,284,000 (2003: €181,000).

AIM Admission

Whilst Providence has been satisfied with its quotation since 1997 on the Irish Stock Exchange's ESM (Exploration Securities Market), the Board has decided that, with its expanding portfolio internationally and in Ireland, it would be beneficial for the Company to apply for admission to AIM in London because that market offers the widest, deepest pool of potential investors for Providence.

It is envisaged that an announcement regarding the Company's intentions for AIM admission will be made in due course. The Company will retain its Irish Stock Exchange quotation, which recently transferred to the Irish Enterprise Exchange (IEX) from the ESM.

Directorate Changes

Tony O'Reilly Jnr, a Founding Director of Providence in 1997, and a former Chief Executive and Chairman of its predecessor company (ARCON) since 1991, has been appointed Deputy Chairman. Mr. O'Reilly is Chief Executive of Josiah Wedgwood & Sons Ltd and a director of Waterford Wedgwood plc and a number of other companies.

The Company announced on May 6, the appointment of Mr. James S.D. McCarthy as Non-Executive Director. Currently, Managing Director of Corporate Finance Ireland Limited, Mr McCarthy has an MBA from University of Pittsburgh and holds a number of directorships. His company has acted as adviser to two companies which recently joined AIM.

Operational Review

Nigeria

Providence has entered a participation agreement with a strong international consortium including Lundin Petroleum, Challenger Minerals, Palace Exploration Company, Howard Energy, Syntroleum Corporation and Yinka Folawiyo Petroleum whereby Providence is entitled to 6.328% of net revenues from any developments within OML 113, offshore Nigeria, which includes the Aje field. The participants have also entered into an Area of Mutual Interest agreement covering areas adjoining OML 113.

There are already two previous wells drilled on the Aje field, both of which tested and flowed hydrocarbons.

The Aje field is thought to contain potential un-risked recoverable reserves of 200 million barrels of crude oil plus 1.5 trillion standard cubic feet of natural gas with potential for a further 150 million barrels of condensate oil and natural gas liquids. OML 113 also contains a number of further significant undrilled exploration leads and prospects in addition to Aje.

An appraisal well is scheduled to be drilled on Aje within the next four months.

New Licence Interests

In December 2004, Providence was awarded two significant frontier exploration licences in the Porcupine Basin (West Coast of Ireland).

The first licence, covering 5 blocks, includes the Dunquin North and Dunquin South prospects (the Dunquin ridge is one of the largest undrilled exploration structures offshore northwest Europe). The second licence encompasses the Spanish Point and Burren discoveries, both of which have flow tested discovery wells with proven hydrocarbons.

The Company is currently commencing discussions with a number of major international partners regarding the most effective exploitation of the opportunities offered by these significant prospects.

In October 2004 Providence secured two additional UK North Sea prospecting licences, in Quad 210 and in Block 9/9d.

St. George's Channel

Work on the St. George's Channel area (Licensing Option 03/7) has confirmed two main prospects, Dionysus and Pegasus, which are thought to contain potentially recoverable volumes of 500 bscf of gas and 310 bscf of gas respectively. In addition, Licensing Option 03/7 is adjacent to the existing Dragon gas field, which straddles the international median line where Marathon is expected to drill an appraisal well during the second half of 2005. Providence's evaluations indicate that potentially circa 20 bscf of gas recoverable extends into Providence's licenced area.

Central Area, Celtic Sea

Work has progressed on Licensing Option 03/8 during the year, primarily on the prospects at Hook Head (Block 50/11) and Glandore (Blocks 50/8&9). Re-analysis of the Hook Head prospect using modern petrophysical techniques indicate that the reservoirs could potentially contain up to 300 mmbbls oil-in-place, or 300 bscf gas-in-place, if the hydrocarbon type is gas. Analysis and mapping of the Glandore prospect, a large 4-way dip closed anticline, is currently continuing.

Blackrock, Celtic Sea

During 2004, the Company drilled the 49/26-1A well on the Blackrock structure offshore Ireland. Whilst the initial well results were inconclusive, subsequent analysis suggests that there remains a significant volume of untested hydrocarbon potential within the Blackrock structure. An electromagnetic survey to identify the optimum location for the next exploration well is being evaluated which would be the next envisaged phase for Blackrock.

Singleton

The Singleton oil field (onshore UK) continued to produce successfully at an average of 500 BOPD. New wells are being evaluated and considered for drilling with a view to increasing production by 50% – 100%. Providence has a 20% interest in Singleton.

Outlook

The Company is expecting a period of exceptionally high activity in 2005, the main feature of which will be the drilling in the Aje field offshore Nigeria. Additionally, work on the St. George's Channel prospects (Dionysus and Pegasus), the Celtic Sea and the Porcupine Basin (Dunquin North and South; Spanish Point and Burren) and the UK offshore interests will be progressed as will discussions with potential partners.

Notes to Editors

- 1. Providence Resources Plc is a revenue-generating, Irish quoted, hydrocarbon exploration and development company with international, Irish and UK operations*
- 2. The Company's most significant interests are the Aje Field in Nigeria, Blackrock, St. George's Channel and Porcupine in Ireland and Singleton in the UK.*
- 3. Sir Anthony O'Reilly is a 45% shareholder in Providence and the management includes Tony Odone, Chief Operating Officer; John O'Sullivan, Exploration Manager and Stephen Carroll, Finance Director.*
- 4. Further information on the Company can be found at www.providenceresources.com.*

Ends

Providence Resources P.I.c.

**Consolidated Profit and Loss Account
For the year ended 31 December 2004**

	Unaudited	Audited
	31 December	31 December
	2004	2003
	€000	€000
Turnover	1,051	757
Cost of sales	(316)	(412)
	-----	-----
Gross Profit	735	345
Operating expenses	(640)	(508)
	-----	-----
Operating Profit/(Loss)	95	(163)
Interest receivable and similar income	216	2
Interest payable and similar charges	(146)	(419)
	-----	-----
Profit/(Loss) on Ordinary Activities before Taxation	165	(580)
Tax on ordinary activities	-	-
	-----	-----
Retained Profit/(Loss) for the Year	165	(580)
	=====	=====
 Profit and Loss Account		
At beginning of year	(24,718)	(24,138)
Retained profit/(loss) for the year	165	(580)
	-----	-----
Profit and Loss Account, end of year	(24,553)	(24,718)
	=====	=====
Earnings per Ordinary Share (cents)		
- Basic and Fully Diluted	0.01c	(0.055c)
	=====	=====

Providence Resources P.I.c.

Consolidated Balance Sheet as at 31 December 2004

	Unaudited	Audited
	31 December	31 December
	2004	2003
	€000	€000
Fixed Assets		
Oil and gas interests	12,004	7,175
Tangible assets	52	20
	-----	-----
	12,056	7,195
	-----	-----
Current Assets		
Debtors	369	183
Cash at bank and in hand	7,284	181
	-----	-----
	7,653	364
Creditors: Amounts falling due within one year	(897)	(1,403)
	-----	-----
Net Current Assets/(Liabilities)	6,756	(1,039)
	-----	-----
Total Assets Less Current Liabilities	18,812	6,156
Creditors: Amount falling due after more than one year	(6)	(13)
Provision for Liabilities and Charges	(1,571)	(1,526)
	-----	-----
Net Assets	17,235	4,617
	=====	=====
Capital and Reserves		
Called up share capital	13,690	12,751
Share premium	26,822	5,720
Capital conversion reserve	623	623
Convertible capital bonds	-	9,595
Profit and loss account	(24,553)	(24,718)
Foreign currency translation reserve	653	646
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Shareholders' Funds	17,235	4,617
	=====	=====