

**02 February 2006**  
**07:00 am**



## **Providence agrees €50 million Finance Facility**

Providence Resources plc ('Providence' or 'the Company') is pleased to announce that it has agreed a €50 million revolving credit facility with Macquarie Bank Limited ('Macquarie'). It is intended that the facility be used to fund the acquisition of new production and/or the development of both existing and new projects. The facility will have an initial duration of 48 months

Under the terms of the facility, €5 million will be made available to fund general working capital and development opportunities. The balance will be made available to Providence, subject to the terms of the facility, to fund oil and gas acquisitions, investments and development opportunities.

As part of the agreement, the Company has agreed to grant Macquarie warrants to purchase new ordinary shares in Providence at a subscription price of €0.045 per share. The number of warrants to be issued is linked to the funds available for drawdown under the facility, with an initial 35 million warrants to be granted in connection with the initial drawdown and a maximum of an aggregate 100 million warrants to be granted if the full €50 million facility becomes available for drawdown.

Tony O'Reilly Junior, Chief Executive of Providence Resources, commented:

“This facility is great news for Providence. It will allow us to move quickly on opportunities, thereby accelerating our plans to increase our daily oil production rates. Macquarie is a natural resources specialist with a proven track record in advising companies in the oil and gas business. We are very pleased that we have secured this flexible credit facility to help fund our stated strategy for growth.”

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## **NOTES TO EDITORS**

1. Providence Resources Plc is an independent oil and gas exploration company listed on the AIM market in London and on Dublin's IEX market. The Company was founded in 1997, but with roots going back to 1981 when its predecessor company, Atlantic Resources Plc was formed by a group of investors led by Sir Anthony O'Reilly.
2. Providence's active oil and gas portfolio includes interests in Ireland (offshore), the UK (onshore and offshore) and West Africa (offshore Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically.
3. The Revolving Credit Facility is a minimum €5 million/ maximum €50 million facility. Subject to the facility terms, Providence Resources can utilise the facility, as required, throughout the term of the loan (4 years). The initial credit facility of €5 million is secured against certain specified production assets of Providence. Subsequent security will be based on the assets acquired. All warrants have a subscription price of 4.5 cents and they cannot be exercised until 6 months after issuance and expire on the fourth anniversary of closing. In the event that the maximum number of warrants is granted and all such warrants exercised, €4.5 million cash would be yielded to Providence and the percentage of the existing share capital in which Macquarie would be interested would be approximately 5%.

4. Comprehensive information on Providence and its oil and gas portfolio, including the AIM Admission document, Annual Report 2004 and Interim Report 2005 are all available from Providence's website at [www.providenceresources.com](http://www.providenceresources.com)
  
5. The Macquarie Bank Group is a diversified, international provider of specialist financial and investment banking services with over 7,000 people in 23 countries. Macquarie Bank is a leading provider of debt and equity capital for the oil and gas industry. From offices in London, Houston and Sydney, Macquarie's Energy Capital Division provides oil and gas borrowing base revolvers, structured and project finance, corporate restructurings and recapitalisations, mezzanine and subordinated debt and equity capital. The Division also provides tailored commodity price risk management for energy companies.