

25 September 2006



Providence Resources Plc ("Providence" or the "Company")

PROVIDENCE SECURES RIG SLOT FOR 2007 DRILLING PROGRAMME OFFSHORE IRELAND

**PROVIDENCE AND ISLAND SEPARATELY AGREE
TO UNDERTAKE SPECIFIC CELTIC SEA JOINT STRATEGY REPORT
FOR OIL DEVELOPMENT**

Providence, the AIM and Dublin IEX listed oil & gas exploration and production company, announced today that it has reached agreement with Island Oil & Gas plc ("Island") for the provision of the semi-submersible drilling unit "Petrolia" in 2007. In April 2006, Island announced that it had contracted a 150 day drilling programme. Under the terms of an agreement reached between Island and Providence, Island will assign 1 firm drilling slot to Providence in 2007. *This will allow Providence to progress its drilling plans offshore Ireland for 2007, further details of which will be announced in the coming months.* A further slot may become available in 2007 depending on the duration of the respective drilling programmes being carried out by the two companies.

Separately, Providence and Island have agreed that they will work together to develop a common strategy report for the joint development of the companies' Celtic Sea oil assets based on a shared floating production facility. This report will be undertaken at Providence's cost and will be based on the extensive work Providence has conducted on floating facilities in the Celtic Sea, suitably modified to take into account the differing reservoirs for joint development purposes and economic savings. The assets to be included in this study incorporate each company's Celtic Sea oil assets.

Commenting on today's announcements, Tony O'Reilly jnr, Chief Executive of Providence said:

"We are delighted to have reached agreement with Island to secure a rig slot in 2007, utilising the Petrolia Rig. This now allows Providence to progress its drilling plans offshore Ireland for 2007, further details of which will be announced in the coming months.

Paul Griffiths, Chief Executive of Island said:

“The assignment of one rig slot allows Island to share the high costs of mobilization / de-mobilisation. We are also delighted to have reached agreement with Providence on a joint development study for the oil assets in the Celtic Sea. The combination of our respective experience and technical know how should allow us to further progress the portfolio of oil assets in the Celtic Sea.”

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About Providence

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.

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. Recent corporate announcements include; Gardline Geosurveys Ltd Survey (announced September 15th, 2006); 20% Farm-out Deal agreed with CMI on Celtic Sea Licences (announced September 5th, 2006), Completion of Dunquin Seismic (announced on August 8th, 2006), Annual General Meeting Statement (announced on June 20th, 2006), Annual Results (announced on May 17th, 2006), Dunquin Farm-out to ExxonMobil (announced on February 13th, 2006), a €50 million Revolving Credit Finance Facility with Macquarie Bank (announced on February 2nd, 2006) and increased production at its Singleton oilfield (announced March 7th, 2006).

Comprehensive information on Providence and its oil and gas portfolio, including its 2005 AIM Admission document, 2005 Annual Report, Interim Report 2005 and recent press releases are available from Providence’s website at www.providenceresources.com

About Island

Island was founded in 2003 and listed on AIM in December 2004. The Company has interests in eleven Irish offshore licences, (six as operator and two as technical manager). The Company is involved in an active exploration and appraisal programme with three wells drilled in 2006, two of which were successful gas discoveries. The Company has also secured the Petrolia rig for its planned 2007 drilling programme.

Further information on Island Oil & Gas plc can be found on the Company’s website at <http://www.islandoilandgas.com>