

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Commercial Update

Frontier Exploration Licence 2/14

Southern Porcupine Basin

- **PROVIDENCE/SOSINA SIGN FARM-IN AGREEMENT WITH CAIRN FOR FEL 2/14**
- **CAIRN TO SECURE A 30% WORKING INTEREST IN FEL 2/14**
- **PROMOTED CARRY FOR ONE FIRM EXPLORATION WELL AND ONE CONTINGENT APPRAISAL WELL**

Dublin and London – March 8, 2017 - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, today provides an operational update on the Frontier Exploration Licence (“**FEL**”) 2/14, which lies in c. 2,250 metre water depth in the southern Porcupine Basin and is located c. 220 kilometres off the south west coast of Ireland. The licence is operated by Providence Resources P.l.c. (“**Providence**”, 80%) on behalf of its partner Sosina Exploration Limited (“**Sosina**”, 20%). FEL 2/14 contains the Paleocene “**Druid**”, Lower Cretaceous “**Drombeg**” and Jurassic “**Diablo**” exploration prospects.

Frontier Exploration Licence 2/14 Farm In

Providence has signed a Farm-in Agreement (“**FIA**”) with Capricorn Ireland Limited (“**Capricorn**”), a wholly owned subsidiary of Cairn Energy Plc (“**Cairn**”) over FEL 2/14 with an effective date of July 1, 2016.

In consideration for Capricorn taking a 30% working interest in FEL 2/14, Capricorn will pay:

- 45% of the costs of drilling the 53/6-A exploration well in 2017, subject to a gross well cap of \$42 million
- A cash payment of \$2.82 million (being 30% of the total sunk costs of \$9.4 million incurred through June 30, 2016 by Providence / Sosina on FEL 2/14) on a pro rata basis

The 53/6-A well is planned to spud in June 2017 (subject to all regulatory consents) using the contracted Stena IceMAX drill-ship targeting the Druid and Drombeg prospects.

In the event that the JV partners agree to drill a subsequent appraisal well in FEL 2/14, Capricorn will pay 40% of the appraisal well costs subject to a gross well cap of \$42 million and will have the right to take over Operatorship.

As a result of this transaction, the resulting equity in FEL 2/14 will be Providence (Operator - 56%), Capricorn (30%) and Sosina (14%). Closing of the farm-in is subject to the approval of the Minister of Communications, Climate Action and Environment.

Speaking today, Tony O’Reilly, Chief Executive of Providence said:

“We are extremely pleased to have agreed this farm-in transaction with a world class partner such as Cairn, who have recently enjoyed considerable success with their Atlantic deep-water exploration programme offshore Senegal. The addition of Cairn brings additional technical capabilities to the JV partnership, whilst providing Providence with additional financial and operational flexibility. This licence has attracted considerable interest and we continue to discuss possible further equity divestment with other material industry players.”

With the Stena IceMAX drill-ship already contracted, the JV partners are currently carrying out a pre-drill well site survey as well as finalizing all other key service contracts, together with requisite permitting and regulatory approvals, for the planned drilling operations in June.”

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ABOUT PROVIDENCE RESOURCES

Providence Resources is an Irish based Oil and Gas Exploration Company with a portfolio of appraisal and exploration assets located offshore Ireland. Providence's shares are quoted on AIM in London and the ESM in Dublin.

ABOUT CAIRN

Cairn Energy PLC is one of Europe's leading independent oil and gas exploration and development companies and is listed on the London Stock Exchange. Cairn has discovered and developed oil and gas reserves in a variety of locations around the world. Cairn's business operations are focused on opportunities across a growing resource base in Senegal, the UK and Norway. Cairn's portfolio also includes assets in Africa and the Mediterranean. Cairn is headquartered in Edinburgh, Scotland with operational offices in London, Norway and Senegal.

ABOUT FEL 2/14 - DRUID & DROMBEG

During the initial pre-FEL 2/14 authorisation phase (Licensing Option 11/9 - 2011 through 2013), Providence and Sosina identified two large vertically stacked Paleocene ('Druid') and Lower Cretaceous ('Drombeg') fan systems with notable Class II amplitude versus offset ("AVO") anomalies primarily from 2D seismic data acquired in 2008. Providence and Sosina subsequently agreed to underwrite a multi-client 3D seismic survey over the area. This 3D survey was acquired by Polarcus in the summer of 2014 and was subsequently processed by ION Geophysical in 2014/15. In September 2015, Providence and Sosina entered into a Strategic Exploration Collaboration Project with Schlumberger.

In April 2016, the results of the Strategic Exploration Collaboration Project with Schlumberger were announced:

DRUID (PALEOCENE)

- Two fans located c. 1,750 m BML and structurally up-dip from a potential significant fluid escape feature from the underlying pre-Cretaceous Diablo Ridge
 - Cumulative in-place un-risked prospective resources of 3.180 BBO (PMean); Fan 1 – 984 MMBO (PMean); Fan 2 – 2,196 MMBO (PMean)
- Pre-stack seismic inversion and regional rock physics analysis shows Druid is consistent with a highly porous (30%) and high net-gross, light oil-filled sandstone reservoir system up to 85 metres thick
- A depth conformant Class II AVO anomaly is present and synthetic forward modelling of an oil-water contact correlates with the observed seismic response
- Spectral decomposition, seismic compactional drape and mounding are reflective of a large sand-rich submarine fan system with no significant internal faulting and clear demonstration of an up-dip trap mechanism
- Geomechanical analysis using regional well and high resolution seismic velocity data indicates that Druid is normally pressured and the top seal is intact

DROMBEG PROSPECT (LOWER CRETACEOUS)

- Located c. 2,750 m BML and structurally up-dip from a potential significant fluid escape feature from the underlying pre-Cretaceous Diablo Ridge
- In-place un-risked prospective resource of 1.915 BBO (PMean)
- Pre-stack seismic inversion and regional rock physics analysis shows Drombeg is consistent with a highly porous (20%), light oil-filled sandstone reservoir system up to 45 metres thick
- A depth conformant amplitude anomaly is present and spectral decomposition is reflective of a large sand-rich submarine fan system with no significant internal faulting, and supports an up-dip trap mechanism
- Geomechanical analysis using regional well and high resolution seismic velocity data indicates that Drombeg is over-pressured with an intact top seal

ABOUT STENA ICEMAX

Stena IceMAX is the world’s first dynamically positioned, dual mast ice-class drillship. The Stena IceMAX is a Harsh Environment DP Class 3 drillship capable of drilling in water depths up to 10,000ft. The IceMAX has on-board 2 x BOP’s, each 18¾” x 15,000psi Cameron “TL” BOP c/w ST Locks, and uses Cameron Load King riser. The vessel was delivered in April 2012.

MAP

