

# PORCUPINE & GOBAN SPUR BASINS

## ASSET PORTFOLIO UPDATE

### SPANISH POINT

- FARM-OUT STATUS AND UPDATE ON PROPOSED WELL PROGRAMME
- SUB-SURFACE EVALUATION CONTINUING ON ADJACENT RUADHAN 3D SURVEY
- ADJACENT THIRD PARTY LICENCING OPTION APPLICATIONS SUBMITTED

### DUNQUIN

- DUNQUIN NORTH POST-WELL TECHNICAL STUDIES CONTINUING
  - DUNQUIN SOUTH PROSPECT
  - DUNQUIN RIDGE PROSPECT
- EVIDENCE OF MORE SIGNIFICANT RESIDUAL OIL IN THE DUNQUIN NORTH WELL
- ADJACENT THIRD PARTY LICENCING OPTION APPLICATIONS SUBMITTED

### DRUID/DROMBEG

- FARM-OUT PROCESS LAUNCHED BY SCHLUMBERGER
- GEOMECHANICS SUPPORTS THE PRESENCE OF TOP-SEAL ACROSS BOTH PROSPECTS
- SEISMIC ANALYSIS SUPPORTS POTENTIAL DIRECT HYDROCARBON DETECTION AND RESERVOIR ZONATION
- ADJACENT NEW LICENCING OPTIONS OFFERED TO NEXEN (CNOOC), EXXONMOBIL & STATOIL

### NEWGRANGE

- SEISMIC VESSEL CONFIRMED FOR THE PROPOSED 2016 3D MULTI-CLIENT SURVEY
- SEISMIC SUPPORTS TOP SEAL AND RESERVOIR PRESENCE FOR CRETACEOUS TARGET
- PRE-CRETACEOUS STRUCTURAL CLOSURE FAR LARGER THAN PREVIOUSLY MAPPED
- ADJACENT NEW LICENCING OPTIONS OFFERED TO NEXEN (CNOOC), EXXONMOBIL & STATOIL

**Dublin and London – March 11, 2016** Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, today provides an update on a number of its assets located in the Porcupine Basin, offshore southern Ireland.

#### **Spanish Point Field, Northern Porcupine Basin (Providence 58%)**

- Farm-out discussions continue with third parties
- The proposed Spanish Point appraisal drilling programme is subject to regulatory consent and consists of appraising the original 35/8-2 Spanish Point discovery
- Subsurface evaluation of the exploration potential within the adjacent FEL's 4/08 and 1/14 (including the recent Ruadhan 3D seismic survey) areas is continuing
- The Irish government has indicated that third party Licensing Option applications have been received for acreage in the vicinity of Spanish Point

#### **Dunquin South Prospect, Southern Porcupine Basin (Providence 20%)**

- Dunquin North post-well technical studies are continuing focused on the future potential of the adjacent Dunquin South prospect
- Additional stacked potential is also being assessed in the underlying c. 700 km<sup>2</sup> Dunquin Ridge which may be of pre-rift sedimentary origin
- Providence's third-party petrophysical evaluation has indicated the presence of residual oil saturations over the entire drilled c. 250 metre Dunquin North Lower Cretaceous carbonate reservoir interval suggesting potentially prolific oil source rock access to the Dunquin licence
- The Irish government has indicated that third party Licensing Option applications have been received directly adjacent to the east and west flanks of the Dunquin licence

### **Druid/Drombeg Prospects, Southern Porcupine Basin (Providence 80%)**

- The formal Druid/Drombeg farm-out process has begun with the release of the eCard & eFlyer advertising this high impact opportunity
- Geo-mechanical analysis for Drombeg/Druid prospects shows potential seal presence over the whole area
- Detailed 3D seismic data analysis shows Class II AVO anomalies at the Paleocene Druid and Lower Cretaceous Drombeg prospects
- Rock physics analysis suggests the potential to extract facies type at Druid/Drombeg directly from the 3D seismic data
- The Irish government has recently offered awards of new Licensing Options in the adjacent area to Nexen (CNOOC), ExxonMobil & Statoil

### **Newgrange Prospect, Goban Spur Basin (Providence 80%)**

- Searcher Seismic has confirmed to Providence the Polar Marquis vessel for the proposed Newgrange 3D seismic programme which is scheduled to commence in later in 2016, subject to all necessary regulatory approvals
- Geopressure analysis from newly acquired 2D seismic data, integrated with the Dunquin well data, indicates the likely presence of top-seal at Newgrange
- Initial pre-stack seismic inversion and rock physics analysis shows low acoustic impedance, indicative of good quality reservoir
- Mapping of newly acquired 2D seismic data indicates the pre-rift Base Cretaceous Newgrange structural closure to be much larger than previously thought covering a total area of c. 1,800 km<sup>2</sup>, with c. 1,000 km<sup>2</sup> within the Providence licenced area
- The Irish government has recently offered awards of new Licensing Options in the nearby southern Porcupine/Goban Spur area – notable licensees include ExxonMobil, Statoil, Nexen (CNOOC), Woodside & ENI (in conjunction with BP)

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

*"It is extremely encouraging to see the significant interest being shown in offshore Ireland with last week's announcement of the First Phase offered awards of new Licensing Options to major industry players confirming Ireland as a global exploration focal point."*

*"Providence was the only licensee in the Porcupine Basin in the 2004 Licensing Round and since then, it has been the major catalyst for inward investment in the basin – with ExxonMobil farming into Dunquin in 2006 and then subsequently, Chrysaor and Cairn farming into Spanish Point in 2008 and 2013, respectively. The subsequent drilling of the Dunquin North exploration well in 2013 was a significant new data point for the basin, further enhanced by the follow-on acquisition of multiple industry seismic surveys, together with the major regional survey carried out by ENI on behalf of the Irish government – the results of which have dramatically changed the industry's perception of the potential of the Irish Atlantic Margin."*

*"Today's announcement demonstrates that Providence continues to progress its activities across its portfolio of assets in the Porcupine Basin. Providence is pleased to announce the launch of data rooms for Farm-In for Exploration opportunities in the South Porcupine Basin. As part of a joint "Collaboration in Exploration" agreement with Schlumberger, significant technical work has been completed between Providence and Schlumberger Centres of Excellence to de-risk these prospects. The farm-out process for Spanish Point, which was announced late last year, continues and there has also been further important technical analysis carried out on the Dunquin North well data as well as reaching agreement with Searcher Seismic on a proposed 3D survey over Newgrange later this year."*

*"From a purely Providence perspective, the First Phase offered awards demonstrate the material interest being shown in our core Porcupine exploration areas; our Newgrange prospect in the Goban Spur has been effectively encircled by large companies, whilst at Druid/Drombeg in the southern Porcupine, major players have again been awarded authorisations over adjacent acreage. It will be interesting to see what other areas will be awarded and to whom when the Second Phase of the Licensing Round is announced in May. Importantly, the arrival of these new players validates Providence's Irish-centric exploration strategy and portfolio. Working with our respective partners, we look forward to advancing these assets to the drilling stage."*

## **INVESTOR ENQUIRIES**

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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 and the UK. Providence's shares are quoted on AIM in London and the ESM in Dublin.

## **ABOUT SPANISH POINT**

The Spanish Point gas condensate field lies in 400m water depth in FEL 2/04 and is c. 175 km off the west coast of Ireland. Providence currently holds a 58% equity stake in FEL 2/04. Providence holds a 58% equity stake in the adjacent FEL 4/08, where it acquired 3D seismic and where it has identified a number of exploration prospects (list out). Providence currently holds a 43%\* equity stake in the adjacent FEL 1/14, where it has recently acquired 3D seismic and where it has identified a number of exploration prospects.

## **ABOUT DUNQUIN**

Dunquin lies in c. 1,500 metre water depth in FEL 3/04 in the southern Porcupine Basin and is c. 160 km off the south west coast of Ireland. Providence currently holds a 20% equity stake in FEL 3/04.

## **ABOUT DRUID/DROMBEG**

The Drombeg prospect lies in c. 2,200 metre water depth and is c. 3,000 metres below the seabed. The prospect is located in FEL 2/14 in the southern Porcupine Basin, c. 220 km off West Cork, being c. 60 km from the Dunquin licence. Providence currently holds a 80% equity stake in FEL 2/14.

## **ABOUT NEWGRANGE**

The Newgrange prospect lies in c. 1,000 meter water depth and is c. 500 metres below seabed. The prospect is located in FEL 6/14 in the Goban Spur basin, located some 270km off the south west coast of Ireland. Providence currently holds a 80% equity stake in FEL 6/14.

## **ANNOUNCEMENT**

This announcement has been reviewed by Dr John O'Sullivan, Technical Director, Providence Resources P.I.c. John is a geology graduate of University College, Cork and holds a Masters in Applied Geophysics from the National University of Ireland, Galway. He also holds a Masters in Technology Management from the Smurfit Graduate School of Business at University College Dublin and a doctorate in Geology from Trinity College Dublin. John is a Chartered Geologist and a Fellow of the Geological Society of London. He is also a member of the Petroleum Exploration Society of Great Britain, the Society of Petroleum Engineers and the Geophysical Association of Ireland. John has more than 25 years of experience in the oil and gas exploration and production industry having previously worked with both Mobil and Marathon Oil. John is a qualified person as defined in the guidance note for Mining Oil & Gas Companies, March 2006 of the London Stock Exchange. Definitions in this press release are consistent with SPE guidelines. SPE/WPC/AAPG/SPEE Petroleum Resource Management System 2007 has been used in preparing this announcement.

MAP – PORCUPINE BASIN

