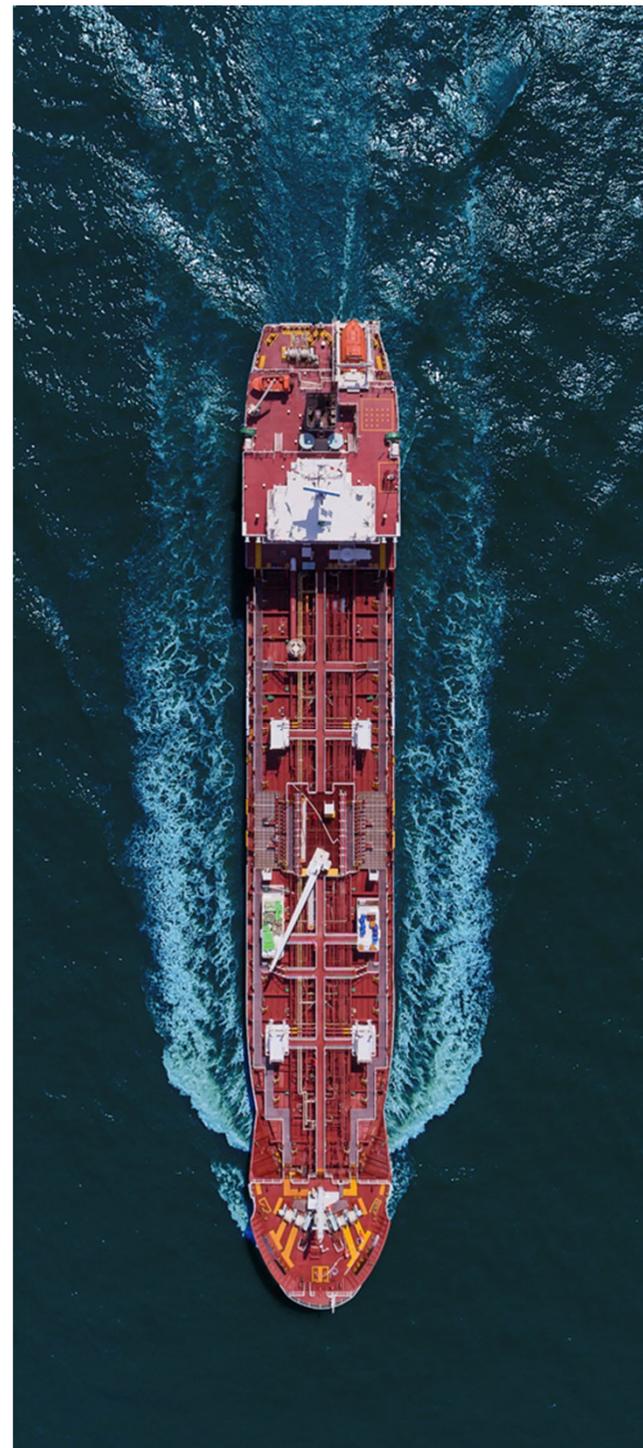


# Providence Resources Plc

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## EGM

May 5<sup>th</sup>, 2020





## Agenda

Introduction by Chairman

Summary of Business Strategy

Answers to Shareholder general questions

Chairman Calls Poll

Present questions and vote upon resolutions 1-4

Any other business

Close Meeting



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## COVID -19

In light of current and anticipated public health guidelines related to COVID-19, and the importance of the health and safety of shareholders, staff and others, shareholders were asked to comply with certain unprecedented but important recommendations for the Extraordinary General Meeting.

Shareholders were requested not to attend the Extraordinary General Meeting in person and, instead, to avail of the proxy voting service and the teleconferencing facilities.

We want to thank all of our shareholders for providing their continuing support for the company during the current health crisis and working with us to ensure the business continues to meet it's legal requirements, ensuring that shareholders can actively participate in key decisions which need to be taken in relation to securing the future of the company.



## Purpose of Meeting

On 6 April 2020, Providence Resources P.L.C. announced its intention to conditionally raise approximately \$3.0 million (before expenses) through the issue of Placing Securities and Subscription Securities.

The Company is pleased to announce that it has, conditionally, raised gross proceeds of £2.7 million (equivalent to approximately US\$3.3 million) through the issue of 157,973,004 Placing Securities and 20,000,000 Subscription Securities (each of which shall comprise one New Ordinary Share, one 3p Warrant and one 9p Warrant) at a price of 1.5p each (the "Issue Price").

It is anticipated that the proceeds of the Fundraising will be used principally to provide general working capital for the business to cover general administration, licencing and Placing costs, until April 2021.

The Placing is conditional upon the passing of the Placing Resolutions without amendment to be proposed at this General Meeting with admission expected to take place on 6 May 2020.

The primary purpose of today's EGM is to consider and vote upon the resolutions required to approve the conditional placing.

As part of the preparation for the meeting a facility was provided to ensure that all shareholders were provided with an opportunity to ask questions of the company in relation to the purpose of the meeting. We propose to provide answers general to questions ahead of presenting the resolutions.



## Providence Resources Strategy

Our core strategy focuses upon economically appraising and developing the Barryroe Field.

A Phased Barryroe development is expected to maximise field development returns by accelerating cash flow and progressively increasing reserves.

Fully developed, the Barryroe Field will become a production hub, and Providence envisages economically linking the Barryroe facilities with discovered resources and near field exploration opportunities off Ireland's east coast.

We aim to:

- Create value for stakeholders by appraising Barryroe and transforming 2C resources into 2P reserves
- Progress a phased Barryroe development designed to generate early cashflow and manage development capex and risk
- Make investment decisions designed to maximise overall return and minimise overall risk
- Maintain a balanced portfolio of commercially attractive licenses with Irish focus
- Target low risk exploration prospects with scope for early tie-back into existing production facilities to accelerate investment returns
- Actively evaluate M&A and asset swap opportunities to build value



## Shareholder General Questions and Answers

Note: question with specific relevance to the resolutions will be answered when the resolution is brought forward for voting.



**Question 1. For Chairman from Stephen Carroll.** Please identify the principal persons within SpotOn Energy who will be directly engaged on the Barryroe farmout effort.

Please provide a brief overview of their relevant experiences in other similar previous farmouts and explain WHY do you believe that SpotOn will succeed where previously both APEC & Sequa have clearly failed in their Barryroe farmout efforts over the past decade.

**Answer 1.**The term sheet we have entered with SpotOn Energy is designed to provide exclusivity for a six-month period during which time we will work together closely to confirm work programme; ensure that contractor relationships are finalised and ensure that the funding plan to cover project expenditure is in place. We will also finalise the commercial terms for the farm-in. Should any of the key components associated with a successful farm in remain unsettled, then either company has the option to cancel the arrangement.

We are actively engaged with SpotOn Energy discussing both technical and commercial arrangements and expect to be able to provide shareholders with regular updates on progress.



## Chairman Calls Poll



## EGM Resolutions



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## Ordinary Resolution

Resolution 1 - To authorise the Directors to allot relevant securities

This Resolution will grant a general authority to the Directors to allot relevant securities (within the meaning of section 1021 of the Companies Act 2014) (which includes the Fundraising Securities) up to an aggregate nominal value of the authorised but as yet unissued share capital of the Company as increased by Resolution 3.



**Question Res 1. Question to Chair Pat Plunkett from Ian Lumley is .** " In view of the purpose of the proposed resolution to facilitate continued hydrocarbon exploration and having regard to the most recent UNITED NATIONS ENVIRONMENT PROGRAMME data that global Greenhouse Gases needs to be reduced by 7 .6% annually , AND IN VIEW OF he expertise which Providence Resources has developed on Irish Marine sea bed conditions, what consideration has he given to redirecting the strategy of the company to abandoning hydrocarbon exploration and becoming a marine renewable wind energy provider ?"

**Answer Res 1. I refer you to the company strategy. Our core business is the exploration and development of hydrocarbons. We support the Irish Government's target to move progressively to a carbon neutral economy by 2050 and are investigating the potential for introducing Carbon Capture and Storage, linked with the Barryroe development. We believe this technology will actively contribute to Ireland's orderly transition to a lower carbon economy.**



## Special Resolution

Resolution 2 – To disapply statutory pre-emption restrictions in respect of the allotment of shares in connection with the Fundraising

This is to authorise the Directors to allot equity securities in connection with the Fundraising as if the statutory pre-emption restrictions under the applicable sections of the 2014 Act did not apply to such allotment.

## Ordinary Resolution

Resolution 3 - To increase the authorised capital of the Company

It is proposed to increase the share capital to €111,184,722.15 divided into 1,800,000,000 Ordinary Share of €0.001 each and 9,944,065,650 Deferred shares of €0.011 each by the creation of 813,152,948 additional Ordinary shares of €0.001.



**Question Resolution 3. to Alan Linn CEO from Ian Lumley:** "In view of the objective of the resolution in funding continued hydrocarbon exploration and having regard to the growing litigation across the world against fossil fuel exploration and extraction companies, climate damaging agriculture, and State regulatory bodies, as with the current Friends of the Irish Environment Climate Supreme Court Appeal Case against the adequacy of the Irish National Mitigation Plan and the relevance of the Urgenda case in the Netherlands which covered all Dutch Government action on all areas of climate emissions including agriculture, and the exposure of Governments, Directors of oil and gas exploration and animal agriculture companies, their professional advisors and consultants and regulatory bodies licensing increased fossil fuel exploration and exploitation or supporting high emission animal agriculture is facing increased transboundary climate litigation, with an increasing number of lawsuits that aim to hold them responsible for the impacts of climate change, when the companies including Providence knew about their contributions to global heating and having regard to a growing momentum for institutional and pension fund divestment from fossil fuels, as fund managers may also be joined to legal action, with New York joining institutional investors that have committed to divest in full or part,

**Question 3 continues:** with Cities like Paris, Capetown, and San Francisco; pension funds like the California Public Employees' Retirement System; faith-based groups like the Church of England; philanthropies like the Rockefeller Family Fund; and universities like Oxford, Stanford, and Georgetown have mobilized to divest over \$6 trillion in total assets from the fossil fuel industry and New York City is also suing five oil majors—BP, Chevron, Conoco Phillips, Exxon, and Royal Dutch Shell—for their contributions to climate change and efforts to cover up scientific evidence of its reality <https://phys.org/news/2018-01-nyc-fossil-fuel-investments.html> and the rapid global warming and resulting climate change now taking place which has a simple cause, where every addition of carbon dioxide (CO<sub>2</sub>) due to human causes traps a corresponding additional amount of solar energy in Earth's atmosphere and ocean, with this warming due to the accumulation of CO<sub>2</sub> is irreversible on human timescales - once emitted the CO<sub>2</sub> levels remain raised, requiring therefore, limiting climate change will require substantial and sustained reductions of greenhouse gas emissions from now on, so that at some point net emissions will need to be zero to stop further warming with the agreed 2°C limit to global warming (above pre-industrial temperatures) therefore requires an absolute limit on the net carbon emissions that can ever be emitted globally, whereby this remaining total amount of future CO<sub>2</sub> emissions to limit warming to 2°C is called the 'global carbon budget and so that even such a small change in the Earth's average surface temperature can have profound changes on the climate, geography, and biosphere that are the basis for all life, and for modern society, including the supply of crops for food, where during the last ice age the average global temperature was only about 5°C colder than today, yet sea level was 120m (400ft) lower and many areas populated today were deep under ice, and where in the last 10,000 years,

**Question Res 3 continues.** a very stable climate, due to very steady natural CO<sub>2</sub> levels, enabled agricultural civilisation to emerge and to thrive, but the remaining less than 2°C global carbon budget will be entirely exhausted within as little as 15 to 30 years. Moreover, there is enough carbon stored in proven reserves of peat, coal, oil and gas to result in extremely dangerous global warming of 6°C or even more, and due to greenhouse gases from fossil fuel burning, livestock agriculture and deforestation, about 0.8°C of warming has occurred since industrialization, and that due to rapidly rising CO<sub>2</sub> – and also due to other greenhouse gases, especially methane inclusion from bovines – oceans and atmosphere are warming rapidly by accumulating very large amounts of additional solar energy, so that the continuing the current pathway of ever increasing emissions would mean that a rise of 4°C is entirely possible by 2100, which is a very dangerous rate of warming, faster than any known rise, even faster than during geological extinction events, so that putting us this dangerous track, it is quite certain that within ninety years every part of the world will be entirely changed and will continue to change, with very serious negative consequences for human civilization and for all ecosystems, with the only certain way for humanity to limit dangerous climate risk is to limit emissions within the available carbon budget, meaning rapid and major changes in consumption patterns and energy production are needed. To do this at least cost means starting very soon and proceeding very quickly, so that the biggest question for humanity is how to divide the less than 2°C carbon budget equitably between nations and future generations ,

**Question Res 3 continues;** whereby there is no doubt though, that the greatest responsibility to act for change, and act fast, lies with wealthy nations and institutions, so that Arguments justifying the continued exploration for fossil gas as a "transition" are also unjustified with in 2018 Oil Change International, alongside 20 partners from around the world, releasing a new briefing on gas production in G20 countries and why fossil gas is NOT a bridge fuel and the convergence of research and reports by leading scientific authorities on the implication of allowing warming to exceed 2 degree Celsius, and the action needed in limiting burning of fossil fuel other climate impacts and the extensive peer review literature on Unburnable Carbon by recognized independent scientists, where a good overview is provided in the paper in NATURE-International Journal of Science on 17 Jan 2015 "*The geographical distribution of fossil fuels unused when limiting global warming to 2 °C* [Christophe McGlade](#) & [Paul Ekins](#) **wich states that:** "Policy makers have generally agreed that the average global temperature rise caused by greenhouse gas emissions should not exceed 2 °C above the average global temperature of pre-industrial times<sup>1</sup>. It has been estimated that to have at least a 50 per cent chance of keeping warming below 2 °C throughout the twenty-first century, the cumulative carbon emissions between 2011 and 2050 need to be limited to around 1,100 gigatonnes of carbon dioxide (Gt CO<sub>2</sub>)<sup>2,3</sup>. However, the greenhouse gas emissions contained in present estimates of global fossil fuel reserves are around three times higher than this<sup>2,4</sup>, and so the unabated use of all current fossil fuel reserves is incompatible with a warming limit of 2 °C. Here we use a single integrated assessment model that contains estimates of the quantities, locations and nature of the world's oil, gas and coal reserves and resources, and which is shown to be consistent with a wide variety of modelling approaches with different assumptions <sup>5</sup>, to explore the implications of this emissions limit for fossil fuel production in different regions. Our results suggest that, globally, a third of oil reserves, half of gas reserves and over 80 per cent of current coal reserves should remain unused from 2010 to 2050 in order to meet the target of 2 °C,

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**Question Res 3 continues.**

*We show that development of resources in the Arctic and any increase in unconventional oil production are incommensurate with efforts to limit average global warming to 2 °C. Our results show that policy makers' instincts to exploit rapidly and completely their territorial fossil fuels are, in aggregate, inconsistent with their commitments to this temperature limit. Implementation of this policy commitment would also render unnecessary continued substantial expenditure on fossil fuel exploration, because any new discoveries could not lead to increased aggregate production.*

<https://www.nature.com/articles/nature14016>

and other significant reports including Overexposed by **Global Witness** which examine the the 2018 Intergovernmental Panel On Climate Change (IPCC) 's report on 1.5°C and the risks of over investment in oil and gas stated

*“Overinvestment in oil and gas creates risks for investors, regardless of whether the world is effective in tackling climate change. Either investors face assets being stranded as demand for fossil fuels falls in a transition to a low carbon economy, or the overinvestment contributes to excess emissions from fossil fuels, the failure to transition and the financial costs of a dramatically changed climate.”*

and having regard to:



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### Question Res 3 continues;

**Carbon Tracker Initiative and the Grantham Research Institute on Climate Change and the Environment (2013). *Unburnable Carbon 2013: Wasted capital and stranded assets*. London: Carbon Tracker & The Grantham Research Institute.<sup>[1]</sup>**

This assessed the consequence of burning existing total fossil fuel reserves against global atmosphere capacity to absorb the emissions generated if temperatures are not to exceed 2 degrees above preindustrial levels.

It concluded that between 60-80% of coal oil and gas reserves of publically listed companies are unburnable if the world is to have any realistic chance of not exceeding global warming of 2 degrees Celsius. Conversely, if there is effective societal action to limit the extent of climate change, then this will raise the spectre of fossil fuel installations and distribution networks collapsing in value, with the global economy already facing 'the prospect of assets becoming stranded, with the problem only likely to get worse if current investment trends continue - in effect, a 'carbon bubble'.

and having regard to:

**The World Bank & Potsdam Institute for Climate Impact Research and Climate Analytics (2012). *Turn Down the Heat: Why a 4°C Warmer World Must be Avoided*, The World Bank 2012. Washington: The World Bank.<sup>[2]</sup>**

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**Question Res 3 continues.**

This report assesses the scientific data on the implications of allowing emissions to exceed a 2 degree threshold. The abstract for the report states:

*'This report focuses on the risks of climate change to development in Sub-Saharan Africa, South East Asia and South Asia. Building on the 2012 report, Turn Down the Heat: Why a 4°C Warmer World Must be Avoided, this new scientific analysis examines the likely impacts of present day, 2°C and 4°C warming on agricultural production, water resources, and coastal vulnerability for affected populations. It finds many significant climate and development impacts are already being felt in some regions, and in some cases multiple threats of increasing extreme heat waves, sea level rise, more severe storms, droughts and floods are expected to have further severe negative implications for the poorest. Climate related extreme events could push households below the poverty trap threshold. High temperature extremes appear likely to affect yields of rice, wheat, maize and other important crops, adversely affecting food security. Promoting economic growth and the eradication of poverty and inequality will thus be an increasingly challenging task under future climate change. Immediate steps are needed to help countries adapt to the risks already locked in at current levels of 0.8°C warming, but with ambitious global action to drastically reduce greenhouse gas emissions, many of the worst projected climate impacts could still be avoided by holding warming below 2°C'*

and having regard to:

**Price Waterhouse Cooper (2014). Two degrees of separation: ambition and reality Low Carbon Economy Index 2014. London: Price Waterhouse Cooper.<sup>[3]</sup>**



**Question Res 3 continues;** The 6th Annual index published by PWC shows the mounting failure in global action on decarbonisation to meet the 2 degree target:

*'The 2014 Low Carbon Economy Index (LCEI) shows an unmistakable trend. For the sixth year running, the global economy has missed the decarbonisation target needed to limit global warming to 2°C. Confronted with the challenge in 2013 of decarbonising at 6% a year, we managed only 1.2%. To avoid two degrees of warming, the global economy now needs to decarbonise at 6.2% a year, more than five times faster than the current rate, every year from now till 2100. On our current burn rate we blow our carbon budget by 2034, sixty six years ahead of schedule. This trajectory, based on IPCC data, takes us to four degrees of warming by the end of the century'*

and having regard to:

**Christophe McGlade & Paul Ekins. (2015). The geographical distribution of fossil fuels unused when limiting global warming to 2°C. *Nature*. 517 (187–190).<sup>[4]</sup>**

In January 2015 the international scientific journal *Nature* published a major paper the level of fossil fuel burning compatible with maintaining a stable climate:



**Question Res 3 continues;** *'If global warming is to be limited in this century to the much-publicized 2 °C rise compared to pre-industrial levels, fossil fuel use and the associated release of greenhouse gases will need to be severely limited. This raises questions regarding the specific quantities and locations of oil, gas and coal that can be safely exploited. Christophe McGlade and Paul Ekins use an integrated assessment model to explore the implications of the 2 °C warming limit for different regions' fossil fuel production. They find that, globally, a third of oil reserves, half of gas reserves and over 80% of current coal reserves should remain unused during the next 40 years in order to meet the 2 °C target and that the development of resources in the Arctic and any increase in unconventional oil production are incompatible with efforts to limit climate change'*

**what advice have you as newly appointed CEO sought and obtained on the financial and legal risk to Providence Resources on these considerations ? "**

#### References

- [1] <http://www.carbontracker.org/wp-content/uploads/2014/09/Unburnable-Carbon-2-Web-Version.pdf>
- [2] <http://documents.worldbank.org/curated/en/2012/11/17097815/turn-down-heat-4%C2%B0c-warmer-world-must-avoided>
- [3] <http://www.pwc.co.uk/assets/pdf/low-carbon-economy-index-2014.pdf>
- [4] <http://www.nature.com/nature/journal/v517/n7533/full/nature14016.html>

### **Answer Res 3.**

**Providence Resources is an AIM and EURONEXT listed company and complies with all laws, rules and regulations which govern our business. To this end we regularly seek legal advice in relation to the various laws, rules and regulations which govern our business, ensuring we comply at all times.**

**As a Licence Operator we also seek legal and financial advice from time to time in order to ensure compliance with all the laws, rules and regulations which the various authorities have put in place to govern the exploration and development of hydrocarbons within our area of operation.**



## Special Resolution

Resolution 4 - To authorise the Directors to adopt and implement the 2020 Share Option Scheme



**Question Resolution 4 Question to Pat Plunkett Chair from Ian Lumley** " in view of the objective of the motion to reward Directors and staff for pursuing the company's current investment strategy of continued hydrocarbon exploration is he satisfied that the Directors are not exposed to legal action for knowingly proceeding with exploration despite being put on notice by me as an ethical shareholder at the 2018 and 2019 AGMs of the harm and damage. continued fossil fuel emissions will cause, and the shareholder value collapse which would result in the assets becoming stranded or subject to legal action "

**Answer Res 4. In the answer to question 2. the CEO explained that the company regularly seeks and takes legal advice in relation to many aspects of our business. The company is rigorous in ensuring that we follow the laws, rules and regulations which are in place to govern exploration and development of hydrocarbons. In undertaking the core activities within our business, we fully comply with all laws, rules and regulations in a technically responsible manner.**



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Any other Business

Meeting Close

