

Providence Resources P.I.c. – Half Year 2016 Results

LEADING OFFSHORE IRELAND

Dublin and London – September 29, 2016 - Providence Resources P.I.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, today announces its unaudited interim results for the half year ended June 30, 2016.

Tony O'Reilly, Chief Executive Officer commented:

“Providence enters the second half of the year with renewed optimism. A solid balance sheet and significantly enhanced financial strength, combined with the planned near term drilling activity at our Druid prospect have the potential to create significant shareholder value.

During the first half of 2016, the market volatility that characterized the E&P sector in 2015 continued and presented the industry with significant commercial and financial challenges. A dearth of M&A activity in the sector, compounded by some very specific pressures relating to the scheduled Melody debt repayment, coupled with the adverse Court of Appeal ruling, had material implications for Providence. However, thanks to the support of our existing shareholders and new investors, we successfully raised new funds in July 2016 to allow us to completely restructure our balance sheet and provide the financial resources and flexibility to advance our very extensive portfolio of assets. Importantly, we were able to repay all of our corporate debt, settle the outstanding litigation with Transocean and provide the appropriate resources to finance the drilling of the high impact Druid exploration well in 2017.

The success of this financing clearly demonstrates shareholder support for our strategy to develop our unique portfolio of appraisal and exploration assets offshore Ireland. In that context, the Irish offshore has become a very attractive location for industry majors as evidenced by the record number of new licensing authorisations awarded in the 2015 Atlantic Margin Licensing Round.

The securing of funds to be able to drill the Druid prospect is a rare opportunity for us to avail of the cost dynamics that currently exist in the industry. With estimated Pmean in place oil resources of over 3 BBO, we believe that Druid represents one of the few world class deep-water exploration prospects being planned for drilling in 2017. Having secured the necessary finance and now with an even lower cost estimate than previously forecast, we are moving forward with our drilling programme targeting a spud date in June 2017.

Key to the Providence portfolio is Barryroe, where the financial restructuring combined with the industry's falling cost profile, now provides increased flexibility in terms of our commercial farm out negotiations. We look forward to updating the market further as we continue to develop and consolidate our leading position offshore Ireland.”

H1 2016 OPERATIONAL HIGHLIGHTS

APPRAISAL PROJECTS

- **Barryroe Oil Project, North Celtic Sea Basin (SEL 1/11)**
 - Upper C-Sand GIIP within SEL 1/11 & OPL1 Option area now estimated at c. 400 BSCF
 - Latest well cost estimates for single vertical well c. US\$25 million
- **Spanish Point Gas Condensate Project, Northern Porcupine Basin (FEL 2/04 & 4/08)**
 - Adjacent third party Licensing Options awarded in 2015 Atlantic Margin Licensing Round
- **Helvick / Dunmore Oil Discoveries North Celtic Sea Basin**
 - Award of Lease Undertakings
 - 50% staged farm in by Marginal Field Development Company Limited

EXPLORATION PROSPECTS

- **Druid / Drombeg Oil Prospects, Southern Porcupine Basin (FEL 2/14)**
 - Multi-domain analysis confirms that the 3D seismic responses from the Druid and Drombeg prospects are consistent with the presence of 2 large vertically stacked stratigraphically trapped oil accumulations
 - Total cumulative in place un-risked prospective resources of c. 5.095 BBO (Pmean)
 - Druid – c. 3.180 BBO (Pmean)
 - Drombeg – c. 1.915 BBO (Pmean)
 - Both Druid and Drombeg prospects could be evaluated with a single vertical exploration well
 - Adjacent third party Licensing Options awarded in 2015 Atlantic Margin Licensing Round
- **Newgrange Prospect, Goban Spur Basin (FEL 6/14)**
 - Seismic supports top seal and reservoir presence for Cretaceous target
 - Pre-Cretaceous structural closure far larger than previously mapped
 - Adjacent third party Licensing Options awarded in 2015 Atlantic Margin Licensing Round
- **Avalon Oil Prospect, Northern Porcupine Basin (LO 16/27)**
 - Award of new Licensing Option in 2015 Atlantic Margin Licensing Round
 - Large AVO stratigraphic Paleocene oil play analogous to Druid
- **Dunquin Oil Prospect, Southern Porcupine Basin (FEL 3/04)**
 - Dunquin North post-well technical studies continuing
 - Evidence of more significant residual oil in the Dunquin North well
 - Adjacent third party Licensing Options awarded in 2015 Atlantic Margin Licensing Round
- **Kish Oil Prospect, Kish Bank Basin (SEL 2/11)**
 - Company's working interest increased to 100%

PORTFOLIO MANAGEMENT

- Relinquishments made to Licence Authorisations over:
 - Cuchulain, Southern Porcupine Basin (FEL 1/99)
 - Polaris, Rathlin Basin (P 1885)
 - Dragon (UK), St George's Channel Basin (P 1930)

H1 2016 FINANCIAL HIGHLIGHTS

- **Further reduction in administration costs and legal expenses**
- **Operating loss for the period of €2.216 million (€3.787 million in H1 2015)**
- **Loss of €4.440 million (€8.425 million in H1 2015)**
- **Loss per share of 3.17 cents (7.94 cents in H1 2015)**
- **At June 30, 2016, total cash and cash equivalents were €0.522 million (€11.289 million at June 30, 2015)**
- **At June 30, 2016 debt was €19.546 million (€15.610m at June 30, 2015)**
- **June 21, 2016 - Capital fundraising announced (and approved at the EGM on July 14, 2016) with proceeds proposed to be used to:**
 - Retire corporate debt
 - Make payment to Transocean
 - Provide working capital
 - Finance the Company's share of funding the drilling of the Druid exploration well

LITIGATION AGAINST TRANSOCEAN DRILLING UK LIMITED (“TRANSOCEAN”)

- **April 2016 Court of Appeal Ruling**
 - In April 2016, the Court of Appeal of England and Wales overturned one aspect of the judgment handed down by the Commercial Court in London in December 2014 in relation to the Transocean litigation. Accordingly, the Company was ordered to pay Transocean the gross amount of c.US\$6.77 million in respect of certain costs claimed by Transocean in the original legal proceedings issued against the Company by Transocean in May 2012
 - Pursuant to the Court of Appeal Order, on April 27, 2016, the Company paid £225,000, being part of Transocean’s legal costs for appeal, and a balance of £183,000 was paid on July 18, 2016
 - Lansdowne, the Company’s joint venture partner in Barryroe, is liable for 20% share of all costs associated with the litigation
 - In addition, the Court of Appeal Order stated that other matters in dispute between the Company and Transocean will be the subject of a further hearing in the Commercial Court in London unless otherwise resolved between the parties
- **Appeal to the Supreme Court**
 - The Company has sought leave to appeal the Court of Appeal Order Judgment to the Supreme Court in the UK. A decision on the grant of such leave to appeal is expected to take between nine months to one year and further announcements will be made in this regard in due course

POST JUNE 30 EVENTS

- **Barryroe Oil Project, North Celtic Sea Basin (SEL 1/11)**
 - Farm out discussions continue
- **Druid/ Drombeg Oil Prospects, Southern Porcupine Basin (FEL 2/14)**
 - Election made to enter Phase 2 of Licence (includes the commitment of one exploration well)
 - Druid 2017 Drilling Programme
 - Appointment of Well Management Company
 - Invitation To Tender (“ITT”) issued for the provision of a deep-water drilling unit
 - Druid well design to allow for optional penetration of underlying Drombeg prospect
 - Planned spud date for Druid well is June 2017, subject to regulatory consents
 - Revised Druid well cost estimates is c. \$35 million (compared to previous estimate of \$46 million)
 - Additional cost for deepening of well to penetrate the Drombeg prospect amounts to c. \$15 million
 - Farm out discussions continue
- **Newgrange Prospect, Goban Spur Basin (FEL 6/14)**
 - Prospective Resource Potential of c. 13.6 TSCF GIIP or c. 9.2 BBO STOIIP
 - Top Seal capacity analysis indicates potential for a hydrocarbon column of up to 350 metres
 - Latest internal well gross cost estimate of c. \$22.5 million
 - Farm out discussions continue
- **Spanish Point Gas Condensate Project, Northern Porcupine Basin (FEL 2/04)**
 - Farm out campaign continues
- **Dunquin Oil Prospect, Southern Porcupine Basin (FEL 3/04)**
 - ENI assumes operatorship following withdrawal of ExxonMobil
 - Providence’s equity increased to 26.846%*

* Includes equity acquired from Atlantic Petroleum in July 2015, which is subject to approval of the Minister for Communications, Climate Action and Environment.

PLACING OFFER AND OPEN OFFER

- **July 14, 2016 – EGM held**
 - All resolutions passed with at c. 99% acceptances
 - **Details of Placing**
 - Raised gross proceeds of £53.712 million through issuance of 447.607 million shares £0.12 pence per share
 - Significantly increased the depth of institutional shareholder base
 - **Details of Open Offer**
 - Raised proceeds of €1.516 million through the issuance of 9.975 million shares**
 - Directors subscribed for 1.956 million shares** at a cost of €0.297 million
- **Includes 200,000 direct share subscription by Lex Gamble
- **Following Admission of Placing and Open Offer shares, the Company's total issued and voting share capital now comprises 597,658,958 ordinary shares of €0.10 each**

POST FINANCING EVENTS

- **Melody Debt Retired**
 - Post the EGM, all amounts outstanding under the loan facility with Melody were paid in full by the payment of cash equal to US\$20 million (together with accrued interest) and the allotment of 9,938,033 ordinary shares of €0.10 cents each (at the Placing price of £0.12 per share)
 - Post repayment, the floating charge over the Company's assets held by Melody was released
 - Providence is now debt free
- **Court of Appeal – Transocean Litigation**
 - The Company discharged the balance of the uncontested sums owing to Transocean in respect of the Court of Appeal order made on April 13, 2016
 - The hearing of Transocean's claim in respect of Part 36 of the English Civil Procedure Rules has now been listed to be heard by Mr Justice Popplewell on Friday, October 14, 2016
 - In the event that Transocean is successful in the Commercial Court in relation to the Part 36 claim, the Company estimates that it would be required to make additional net payment of c.US\$3.1 million to Transocean
 - In the event of an adverse adjudication, it is open to the Company to appeal such a decision

SUMMARY OF KEY ASSETS/RESOURCE BASE

APPRAISAL ASSETS

- **Barryroe Oil Project, North Celtic Sea Basin (PVR-80%)**
Field Size (2C): 346 MMBOE REC
Net to PVR: 277 MMBOE REC
- **Hook Head Oil Project, North Celtic Sea Basin (PVR-72.5%)**
Field Size (2C): 35 MMBOE REC
Net to PVR: 25 MMBOE REC
- **Spanish Point Gas Condensate Project, Northern Porcupine Basin (PVR-58%)**
Field Size (2C): 337 MMBOE REC
Net to PVR: 195 MMBOE REC

EXPLORATION ASSETS

- **Dunquin South Oil Prospect, Southern Porcupine Basin (PVR-26.85%*)**
Prospect Size (Pmean): 1,389 MMBOE REC
Net to PVR: 372 MMBOE REC
* Includes equity acquired from Atlantic Petroleum in July 2015, which is subject to approval of the Minister of Communication, Climate Action and the Environment
- **Avalon Oil prospect, Southern Porcupine Basin (PVR-80%)**
Prospect Size (Pmean): TBC
Net to PVR: TBC
- **Druid Oil Prospect, Southern Porcupine Basin (PVR-80%)**
Prospect Size (Pmean): 3.180 BBO STOIP
Net to PVR: 2.544 BBO STOIP
- **Drombeg Oil Prospect, Southern Porcupine Basin (PVR-80%)**
Prospect Size (Pmean): 1.915 BBO STOIP
Net to PVR: 1.532 BBO STOIP
- **Newgrange Gas Prospect, Goban Spur Basin (PVR-80%)**
Prospect Size (Pmean): 13.6 TSCF GIIP
Net to PVR: 10.8 TSCF
- **Kish Oil Prospect, Kish Bank Basin (PVR-100%)**
Prospect Size (P50): 210 MMBO REC
Net to PVR: 210 MMBOE REC

BOARD CHANGES

- **Appointment of Mr. Pat Plunkett as Non-executive Chairman with effect from October 1, 2016**
- **Mr. James McCarthy to remain as a Non-executive Director**
- **Retirement of Dr. Phil Nolan as a Non-executive Director with effect from October 1, 2016**

OUTLOOK

Whilst the industry backdrop still remains challenging, with our completely restructured balance sheet and extensive mature portfolio, we are very well placed to deliver on our plans. With clear shareholder endorsement of our strategy to exploit our portfolio, and with a major drilling campaign at Druid planned for 2017, we are optimistic about the prospects both for Providence and the overall Irish Oil and Gas sector. We remain both determined and uniquely positioned to lead the industry in identifying and realizing the significant potential that exists offshore Ireland.

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

GLOSSARY OF TERMS USED

BBO – Billion Barrels of Oil

BSCF – Billion Standard Cubic Feet of Gas

EGM – Extraordinary General Meeting

FEL – Frontier Exploration Licence

GIIP – Gas Initially in Place

LO – Licensing Option

LU – Lease Undertaking

MMBO – Millions of Barrels of Oil

MMBOE – Millions of Barrels of Oil Equivalent

OPL – Offshore Production Lease

Pmean – the expected average value or risk-weighted average of all possible outcomes

Rec – Recoverable

SEL – Standard Exploration Licence

STOIIP – Stock Tank of Oil Initially in Place

TSCF – Trillion Standard Cubic Feet of Gas

ANNOUNCEMENT

This announcement has been reviewed by Dr John O’Sullivan, Technical Director, Providence Resources P.l.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 (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.

SUMMARY OF KEY ASSETS

Ref	Licence	Issued	Key Asset	Operator	Partners	%	Classification
NORTH CELTIC SEA BASIN							
1	SEL 1/11	2011	BARRYROE	Providence	Lansdowne	80.00	Oil discovery
2	SEL 2/07	2007	HOOK HEAD	Providence	Atlantic; Sosina	72.50	Oil and gas discovery
2	LU	2016	HELVICK	Providence	Atlantic; Sosina, Lansdowne,	56.25	Oil and gas discovery
2	LU	2016	DUNMORE	Providence	Atlantic; Sosina, MFDC*	65.25	Oil discovery
NORTHERN PORCUPINE BASIN							
3	FEL 2/04	2004	SPANISH POINT	Cairn	Sosina	58.00	Oil and gas discoveries
3	FEL 4/08	2008	SPANISH POINT NTH	Cairn	Sosina	58.00	Oil and gas exploration
SOUTHERN PORCUPINE BASIN							
4	FEL 3/04	2004	DUNQUIN SOUTH	Eni	Repsol; Sosina	26.85	Oil and gas exploration
5	LO 16/27	2016	AVALON	Providence	Sosina	80.00	Oil and gas exploration
6	FEL 2/14	2014	DRUID/DROMBEG	Providence	Sosina	80.00	Oil exploration
GOBAN SPUR BASIN							
7	FEL 6/14	2014	NEWGRANGE	Providence	Sosina	80.00	Oil and gas exploration
KISH BANK BASIN							
8	SEL 2/11	2011	KISH BANK	Providence		100.0	Oil and gas exploration

MAP OF KEY ASSETS



PROVIDENCE RESOURCES P.I.c.

Condensed consolidated income statement

For the 6 months ended 30 June 2016

	Notes	6 months ended 30 June 2016 Unaudited €'000	6 months ended 30 June 2015 Unaudited €'000	Year ended 31 December 2015 Audited €'000
Continuing operations				
Administration and legal expenses	3	(1,739)	(3,250)	(6,437)
Pre-licence expenditure		(59)	(441)	(856)
Impairment of exploration and evaluation assets		(418)	(96)	(5,787)
Operating loss	2	(2,216)	(3,787)	(13,080)
Finance income		6	23	34
Finance expense	4	(2,230)	(4,661)	(11,091)
Loss before income tax		(4,440)	(8,425)	(24,137)
Income tax expense		-	-	-
Loss for the period		(4,440)	(8,425)	(24,137)
Loss per share (cent) – continuing operations				
Basic and diluted loss per share	8	(3.17)	(7.94)	(19.57)

PROVIDENCE RESOURCES P.I.c.

Consolidated statement of comprehensive income

For the 6 months ended 30 June 2016

	6 months ended 30 June 2016 Unaudited €'000	6 months ended 30 June 2015 Unaudited €'000	Year ended 31 December 2015 Audited €'000
Loss for the financial period	(4,440)	(8,425)	(24,137)
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange translation differences	(2,266)	6,076	7,178
Total income and expense recognised in other comprehensive income from continuing operations	(2,266)	6,076	7,178
Total comprehensive expense for the period	(6,706)	(2,349)	(16,959)

The total recognised expense for the period is entirely attributable to equity holders of the Company.

PROVIDENCE RESOURCES P.I.c.

Consolidated statement of financial position

As at 30 June 2016

	Notes	30 June 2016 Unaudited €'000	30 June 2015 Unaudited €'000	31 December 2015 Audited €'000
Assets				
Exploration and evaluation assets	5	96,904	96,504	98,211
Property, plant and equipment		136	35	168
Intangible assets		243	-	296
Total non-current assets		97,283	96,539	98,675
Trade and other receivables		2,400	338	2,174
Cash and cash equivalents		522	11,289	6,518
Total current assets		2,922	11,627	8,692
Total assets		100,205	108,166	107,367
Equity				
Share capital	6	25,694	25,694	25,694
Capital conversion reserve fund		623	623	623
Share premium	6	226,998	226,998	226,998
Foreign currency translation reserve		9,555	10,719	11,821
Share based payment reserve		3,151	3,996	3,586
Retained deficit		(203,785)	(184,478)	(199,780)
Total equity attributable to equity holders of the Company		62,236	83,552	68,942
Liabilities				
Decommissioning provision		7,324	6,875	7,424
Total non-current liabilities		7,324	6,875	7,424
Trade and other payables		11,099	2,129	12,712
Loans and borrowings	7	19,546	15,610	18,289
Total current liabilities		30,645	17,739	31,001
Total liabilities		37,969	24,614	38,425
Total equity and liabilities		100,205	108,166	107,367

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Consolidated statement of changes in Equity

For the 6 months ended 30 June 2016

	Share Capital €'000	Capital Conversion Reserve Fund €'000	Share Premium €'000	Foreign Currency Translation Reserve €'000	Share Based Payment Reserve €'000	Retained Deficit €'000	Total €'000
At 1 January 2015	18,151	623	210,230	4,643	4,282	(176,339)	61,590
Loss for financial period	-	-	-	-	-	(8,425)	(8,425)
Currency translation	-	-	-	6,076	-	-	6,076
Total comprehensive income	-	-	-	6,076	-	(8,425)	(2,349)
<i>Transactions with owners, recorded directly in equity</i>							
Share options lapsed in period	-	-	-	-	(286)	286	-
Shares issued in period	7,543	-	16,768	-	-	-	24,311
At 30 June 2015	25,694	623	226,998	10,719	3,996	(184,478)	83,552
At 1 January 2016	25,694	623	226,998	11,821	3,586	(199,780)	68,942
Loss for financial period	-	-	-	-	-	(4,440)	(4,440)
Currency translation	-	-	-	(2,266)	-	-	(2,266)
Total comprehensive income	-	-	-	(2,266)	-	(4,440)	(6,706)
<i>Transactions with owners, recorded directly in equity</i>							
Share options lapsed in period	-	-	-	-	(435)	435	-
At 30 June 2016	25,694	623	226,998	9,555	3,151	(203,785)	62,236
At 1 January 2015	18,151	623	210,230	4,643	4,282	(176,339)	61,590
Loss for financial year	-	-	-	-	-	(24,137)	(24,137)
Currency translation	-	-	-	7,178	-	-	7,178
Total comprehensive income	-	-	-	7,178	-	(24,137)	(16,959)
<i>Transactions with owners, recorded directly in equity</i>							
Share options lapsed in year	-	-	-	-	(696)	696	-
Shares issued in period	7,543	-	16,768	-	-	-	24,311
At 31 December 2015	25,694	623	226,998	11,821	3,586	(199,780)	68,942

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Consolidated statement of cash flows

For the 6 months ended 30 June 2016

	6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 December 2015
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Cash flows from operating activities			
Loss before income tax for the period	(4,440)	(8,425)	(24,137)
Adjustments for:			
Depletion and depreciation	34	10	34
Amortisation of intangible assets	52	-	17
Impairment of exploration and evaluation assets	418	96	5,787
Finance income	(6)	(23)	(34)
Finance expense	2,230	4,661	11,091
Foreign exchange	(572)	(1,255)	(2,684)
Change in trade and other receivables	(226)	1,549	(287)
Change in trade and other payables	(1,705)	(11,194)	(521)
Interest paid	(996)	(1,512)	(4,204)
Net cash (outflow) from operating activities	(5,211)	(16,093)	(14,938)
Cash flows from investing activities			
Interest received	6	23	34
Acquisition of exploration and evaluation assets	(326)	(2,190)	(7,746)
Acquisition of property, plant and equipment	-	(15)	(484)
Change in restricted cash	-	3,296	3,296
Net cash from investing activities	(320)	1,114	(4,900)
Cash flows from financing activities			
Proceeds from issue of share capital	-	25,754	25,754
Share capital issue costs	-	(1,443)	(1,443)
(Repayments) / proceeds from loans and borrowings	-	(3,671)	(3,671)
Net cash from financing activities	-	20,640	20,640
Net (decrease)/increase in cash and cash equivalents	(5,531)	5,661	802
Cash and cash equivalents at beginning of period	6,518	5,256	5,256
Effect of exchange rate fluctuations on cash and cash equivalents	(465)	372	460
Cash and cash equivalents at end of period	522	11,289	6,518

PROVIDENCE RESOURCES P.I.c.

Note 1

Basis of preparation

Providence Resources P.I.c ("the Company") is a company incorporated in the Republic of Ireland. The unaudited consolidated interim financial statements of the Company for the six months ended 30 June 2016 (the "Interim Financial Statements") include the Company and its subsidiaries (together referred to as the "Group"). The Interim Financial Statements were authorised for issue by the Directors on 28 September 2016.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. These condensed set of financial statements included in this half-yearly report have been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU and the Group's accounting policies as disclosed in the 2015 Annual Report, which are available from the group's website www.providenceresources.com.

The Interim Financial Statements do not constitute statutory financial statements. The statutory financial statements for the year ended December 31, 2015, extracts from which are included in these Interim Financial Statements, were prepared under IFRSs as adopted by the EU and will be filed with the Registrar of Companies with the Company's 2015 annual return.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of the parent company and also the presentation currency for the Group's financial reporting.

PROVIDENCE RESOURCES P.I.c.

Note 2

Operating segments

	6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 December 2015
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Segment net (loss) for the period			
UK – exploration assets	(73)	-	(1,841)
Republic of Ireland – exploration assets	(345)	(96)	(3,946)
Corporate expenses	(1,798)	(3,691)	(7,293)
Operating loss for the period	(2,216)	(3,787)	(13,080)
Segment assets			
UK – exploration assets	-	1,879	73
Republic of Ireland – exploration assets	96,905	94,997	100,710
US	32	-	32
Group assets	3,268	11,290	6,552
Total assets	100,205	108,166	107,367
Segment Liabilities			
UK – exploration	(101)	(57)	(14)
Republic of Ireland – exploration	(18,322)	(8,882)	(19,634)
US	-	-	-
Group liabilities	(19,546)	(15,675)	(18,777)
Total Liabilities	(37,969)	(24,614)	(38,425)
Capital Expenditure			
UK – exploration assets	71	88	103
Republic of Ireland – exploration assets	255	2,102	7,643
Republic of Ireland – property, plant and equipment	-	15	484
Total Capital Expenditure	326	2,205	8,230
Impairment charge			
Republic of Ireland – exploration assets	345	96	3,946
UK – exploration assets	73	-	1,841
	418	96	5,787

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Note 3

Administration and legal Expense

	6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 December 2015
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Corporate, exploration and development expenses	1,952	2,290	3,783
Legal expenses	110	329	2,127
Foreign exchange difference	219	1,478	1,550
Total administration expenses for the period	2,281	4,097	7,460
Capitalised in exploration and evaluation assets	(542)	(847)	(1,023)
Total charged to the income statement	1,739	3,250	6,437

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Note 4

Finance Expense

	6 months ended 30 June 2016	6 months ended 30 June 2015	Year ended 31 December 2015
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Interest expense	1,010	1,399	2,367
Amortisation of arrangement fees and other amounts	1,680	720	2,861
Unwinding of discount on decommissioning provision	(74)	748	1,390
Interest charge on legal settlement	-	-	2,141
Foreign exchange (gain)/loss on revaluation of loan	(386)	1,794	2,332
Total finance expense recognised in income statement	2,230	4,661	11,091
Recognised directly in equity			
Foreign currency differences on foreign operations	(2,266)	6,076	7,178
Total finance expenses recognised in equity	(2,266)	6,076	7,178

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Note 5

Exploration and evaluation assets

	Republic of Ireland	UK	Total
	€'000	€'000	€'000
Cost and book value			
At 1 January 2015	88,095	1,638	89,733
Additions	1,273	70	1,343
Administration expenses capitalised	830	17	847
Impairment charge	(96)	-	(96)
Foreign exchange translation	4,523	154	4,677
At 30 June 2015	94,625	1,879	96,504
At 1 January 2015	88,095	1,638	89,733
Additions	6,805	84	6,889
Administration expenses capitalised	1,004	19	1,023
Cash call received in year	(166)	-	(166)
Impairment charge	(3,946)	(1,841)	(5,787)
Foreign exchange translation	6,419	100	6,519
At 31 December 2015	98,211	-	98,211
At 1 January 2016	98,211	-	98,211
Additions	507	65	572
Cash calls received in period	(788)	-	(788)
Administration expenses capitalised	537	5	542
Impairment charge	(345)	(73)	(418)
Foreign exchange translation	(1,218)	3	(1,215)
At 30 June 2016	96,904	-	96,904

PROVIDENCE RESOURCES P.I.c.
Note 6
Share Capital and Share Premium

		Number	
Authorised:		'000	€'000
At 1 January 2016			
Deferred shares of €0.011 each		1,062,442	11,687
Ordinary shares of €0.10 each		223,131	22,313
At 30 June 2016			
Deferred shares of €0.011 each		1,062,442	11,687
Ordinary shares of €0.10 each*		223,131	22,313
	Number	Share Capital	Share Premium
Issued:	'000	€'000	€'000
Deferred shares of €0.011 each	1,062,442	11,687	5,691
Ordinary share of €0.10 each	64,649	6,464	204,539
At 1 January 2015	64,649	18,151	210,230
Shares issued	75,427	7,543	18,211
Share issue costs	-	-	(1,443)
At 30 June 2015	140,076	25,694	226,998
At 31 December 2015	140,076	25,694	226,998
At 30 June 2016	140,076	25,694	226,998

PROVIDENCE RESOURCES P.I.c.
Note 7
Loans and Borrowings

	Loan facility	Loan fees	Total
	€'000	€'000	€'000
At 1 January 2015	19,727	(379)	19,348
Drawn down in period	1,519	(4,125)	(2,606)
Charged to income statement	-	720	720
Repaid during period	(3,646)	-	(3,646)
Foreign exchange	1,794	-	1,794
At 30 June 2015	19,394	(3,784)	15,610
At 1 January 2015	19,727	(379)	19,348
Drawn down in period	1,519	(4,125)	(2,606)
Charged to income statement	-	2,861	2,861
Repaid during period	(3,646)	-	(3,646)
Foreign exchange	2,332	-	2,332
At 31 December 2015	19,932	(1,643)	18,289
Drawn down during period		(37)	(37)
Charged to income statement	-	1,680	1,680
Foreign exchange	(386)	-	(386)
At 30 June 2016	19,546	-	19,546
Analysed as follows:	30 June 2016	31 December 2015	30 June 2015
Non-Current	€'000	€'000	€'000
Credit facility	-	-	-
Total	-	-	-
Current			
Credit facility	19,546	18,289	15,610
Total	19,546	18,289	15,610
At end of period	19,546	18,289	15,610

In May 2016, the Group extended its loan facility with Melody LLC through to 13 June 2016. The interest rate is 10% and the facility is secured over the assets of the Group via a floating charge. See Note 11 for further details.

PROVIDENCE RESOURCES P.I.c.

Note 8

Earnings per share

	30 June 2016	30 June 2015	31 December 2015
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Loss attributable to equity holders of the company from continuing operations	(4,440)	(8,425)	(24,137)
The basic weighted average number of Ordinary share in issue ('000)			
In issue at beginning of year	140,076	64,649	64,649
Adjustment for shares issued in period	-	41,444	58,689
Weighted average number of ordinary shares	140,076	106,093	123,338
Basic loss per share (cent) – continuing operations	(3.17)	(7.94)	(19.57)
The weighted average number of ordinary shares for diluted earnings per share calculated as follows:			
Weighted average number of ordinary shares	140,076	106,093	123,338
Diluted loss per share (cent) – continuing operations	(3.17)	(7.94)	(19.57)

There is no difference between the loss per ordinary share and the diluted loss per share for the current period as all potentially dilutive ordinary shares outstanding are anti-dilutive.

PROVIDENCE RESOURCES P.I.c.

Note 9

Related party transactions

Mr. Tony O'Reilly, has through Kildare Consulting Limited, a company beneficially owned by him, a contract for the provision of service to the company outside the Republic of Ireland effective May 1, 2015. It is of two years duration and is subject to one year's notice period. The amount paid under the contract from 1 January to 30 June 2016 was €186,990.

PROVIDENCE RESOURCES P.I.c.

Note 10

Commitments

As at 30 June 2016, the Group has capital commitments of approximately €3.2m to contribute to its share of costs of exploration and evaluation activities.

PROVIDENCE RESOURCES P.I.c.

Note 11

Post Balance Sheet Events

Equity fundraising

The Company announced on 21 June 2016 a conditional equity placing and open offer. The equity placing raised net proceeds of c.US\$68.4 million (€60.5 million) while the open offer raised c. €1.516m. The resolutions were voted on by shareholders at an Extraordinary General Meeting on 14 July 2016 and all the resolutions were passed.

Transocean Drilling UK Limited legal case

In May 2012, Transocean initiated proceedings against the Company for c.US\$19 million. The Company counterclaimed pleading that Transocean was in breach of contract because their rig and their equipment were not in good working condition or adequate to conduct the drilling activities over most of a period from late December 2011 through to early February 2012. In December 2014, a judgment was handed down by the Commercial Court in London (the "Judgment") which confirmed the Company's pleadings that it should not have to pay Transocean for those periods when the rig was not operable, due to breaches of contract arising from Transocean's failure to carry out maintenance on safety critical parts of its sub-sea equipment. The Judgment provided that the Company should also be allowed to set-off certain third party costs against Transocean's claim. The Judgment allowed the parties to agree the final account, with the Company paying a net amount of c.US\$6.15 million and Lansdowne paying c.US\$1.54 million.

Transocean was subsequently granted the right to appeal one aspect of the Judgment. In April 2016 the Court of Appeal ruled in favour of Transocean's appeal (the "Appeal Judgment"). The appeal of this one aspect of the Judgment turned on the Court of Appeal's interpretation of the wording of the consequential loss clause in the rig contract.

In relation to the Appeal Judgement, by Order of Her Majesty's Court of Appeal of England and Wales made on 13 April 2016 (the "EWCA Order"), the Company was ordered to pay Transocean a gross amount of c.US\$6.77 million on or before 4.00 p.m. on 6 May 2016 in respect of certain costs claimed by Transocean in the context of the original legal proceedings issued against the Company by Transocean in May 2012. This amount has been fully accrued as at 31 December 2015. The EWCA Order further stated that the Company was required to pay part of Transocean's legal costs of the appeal in the sum of gross £225,000 by 27 April 2016 (with the remainder to be agreed and paid at a future date). This amount was fully accrued as at 31 December 2015.

These legal costs in the sum of £225,000 were paid to Transocean on 27 April 2016 and the remaining balance of £183,000 was paid on the 18 July 2016. In addition, the EWCA Order stated that other matters in dispute between the Company and Transocean in the legal proceedings will be the subject of a further hearing in the Commercial Court in London unless otherwise resolved between the parties.

The two main matters which arise out of the Court of Appeal judgment and which remain unresolved as at the date of the financial statements are as follows:

- (a) the quantification of interest on the judgment sum awarded by the Court of Appeal to Transocean; and
- (b) whether Transocean is entitled to its legal costs (and interest thereon) in respect of the first instance decision handed down by the Commercial Court in London in December 2014, on the basis of Transocean having previously made an offer to the Company (the "Settlement Offer") to reach a settlement in respect of those proceedings pursuant to Part 36 of the English Civil Procedure Rules (the "CPR"). Part 36.14 of the CPR provides that, where judgment against a defendant (in this case, the Company) is at least as advantageous as the proposals in the Part 36 offer, the offeror (in this case, Transocean) would be entitled to its legal costs and

interest on those costs together with interest on the principal sums from the date upon which the period for acceptance of the offer expired.

Transocean contends that, as the aggregate amount payable to them as a result of the Judgment and the Appeal Judgment is more advantageous to Transocean than the terms of the Settlement Offer, that Transocean is now entitled to recover from the Company its costs (and interest thereon) in respect of the first instance proceedings. The Company will be required to make an additional payment to Transocean pursuant to paragraph (a) above in the sum of (net) c.US\$0.4 million (however, the final amount has yet to be agreed/determined) and, in the event that Transocean is successful in the Commercial Court in relation to the matter outlined in paragraph (b) above, an additional payment of (net) c.US\$3.1 million.

As of the date of the interim financial statements, the date of 14 October 2016 has been set by the Commercial Court to consider these matters. In the event of an adverse adjudication, it is open to the Company to appeal such a decision.

Following the issue of the EWCA Order, the Company and Transocean reached agreement (the "TO Agreement") whereby the Company agreed to make a payment of (gross) US\$2 million to Transocean (in part satisfaction of the EWCA Order) payment of which has now been made. The Company made a further payment on the 18 July 2016 to Transocean. Lansdowne, the Company's joint venture partner in Barryroe, is also liable for its (20 per cent interest) share of all costs associated with the litigation.

The Company confirms that it has sought leave to appeal the Appeal Judgment to the Supreme Court in the UK. A decision on the grant of such leave to appeal is expected to take between nine months and one year to be reached and further announcements will be made in this regard in due course.

Melody

The company's facility with Melody was due for repayment on the 22 May 2016 for \$21.7m. The Company reached agreement with Melody to extend the repayment date of the facility to the 13 June 2016 and to extend the period within which to cure any event of default from 3 Business days to 25 Business days (subject to the preservation of the Lenders' rights and remedies under the Facility agreement or at law in respect of any event of default arising in relation to insolvency proceedings). Accordingly, in the event of non-payment of the amounts due to Melody by 13 June 2016, the Company was required to remedy such default by the close of business on 15 July 2016.

The company made the payment due to Melody on the 15 July 2016 for the \$20m while the remaining liability of \$1.7m was converted into 9,938,033 shares which was authorised at the EGM on 14 July 2016.

As at the date of approval of these interim financial statements, the Company has no loans outstanding after the settlement of the Melody loan facility.