

# Licence Update

## Licensing Option 16/27

### Southern Porcupine Basin

- **COMPLETION OF FARM-IN WITH TOTAL**
- **MINISTERIAL APPROVAL FOR ASSIGNMENT OF 50% EQUITY AND OPERATORSHIP OF LICENSING OPTION 16/27 TO TOTAL**

**Dublin and London – October 18, 2017** - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, provides an update on Licensing Option (“LO”) 16/27. Providence is pleased to confirm that the agreed farm-in by TOTAL E&P Ireland B.V. (“TOTAL”), a wholly owned subsidiary of TOTAL S.A. has now completed. This follows approval of the Minister of State at the Department of Communications, Climate Action and Environment to the transfer of 50% equity and Operatorship of LO 16/27 (Avalon) to TOTAL.

In June 2017, Providence announced (RNS June 7, 2017) that Providence and Sosina Exploration Limited (“Sosina”) had signed a Farm-in Agreement (“FIA”) with TOTAL whereby TOTAL will take a 50% working interest and Operatorship in LO 16/27, subject to Ministerial approval. Under the terms of the FIA, TOTAL:

- Pays its pro-rata share of past gross costs of c. US\$ 0.175 million
- In addition to its pro-rata share, pays 21.4% of the past and future costs during the 2-year term of LO 16/27, subject to a gross cost cap of US\$ 1.33 million
- In the event that the JV partners agree to convert LO 16/27 into a Frontier Exploration Licence, and a subsequent decision is taken to drill an exploration well, TOTAL will pay 60% of the drilling costs, subject to a gross well cap of US\$ 42 million

With the farm-in now completed, the revised equity in LO 16/27 is TOTAL (Operator - 50%), Providence (40%) and Sosina (10%).

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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.

## 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

## MAP

