

## **UPDATE ON SUPREME COURT APPLICATION**

### **APPLICATION FOR PERMISSION TO APPEAL REFUSED**

**Dublin and London – November 9, 2016** - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company (“Providence” or “the Company”), today provides an update regarding the Company’s application to the Supreme Court of the United Kingdom seeking permission to appeal the Court of Appeal decision handed down on April 13, 2016 which pertains to the prior litigation between the Company and Transocean Drilling U.K. Limited (“Transocean”), a subsidiary of Transocean Ltd. This litigation arises from the use of the semi-submersible drilling unit, Arctic III, on the Barryroe oilfield offshore Ireland (Providence Resources P.l.c. 80%, Lansdowne Oil & Gas plc 20%) in 2011/2012. By order dated November 2, 2016, the Supreme Court ordered that permission to appeal be refused as the appeal does not raise a point of law of general public importance.

Commenting on the announcement, Tony O’Reilly, Chief Executive of Providence Resources said:

*“With this final legal matter now decided, litigation between the parties is ended. With this matter behind us, we will continue to develop our very significant portfolio of assets offshore Ireland, with a particular focus on the farm-out processes for Barryroe and Spanish Point as well as our preparations for the planned drilling of Druid in 2017.”*

#### **INVESTOR ENQUIRIES**

**Providence Resources P.l.c.**

Tony O’Reilly, Chief Executive Officer

Tel: +353 1 219 4074

**Cenkos Securities plc**

Neil McDonald/Derrick Lee

Tel: +44 131 220 9771

**J&E Davy**

Anthony Farrell

Tel: +353 1 679 6363

#### **MEDIA ENQUIRIES**

**Powerscourt**

Lisa Kavanagh/Peter Ogden

Tel: +44 207 250 1446

**Murray Consultants**

Pauline McAlester

Tel: +353 1 498 0300

## **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 THE LITIGATION**

### **Commercial Court Ruling – December 2014**

In May 2012, Transocean initiated proceedings against the Company for c. \$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 "First Instance Judgment") which confirmed the Company's case 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 First Instance Judgment also provided that the Company should also be allowed to set-off certain third party costs against Transocean's claim. Pursuant to the First Instance Judgment, the Company paid a net amount of c. \$6.15 million and Lansdowne paid c. \$1.54 million.

### **Court of Appeal Ruling – April 2016**

Transocean was granted the right to appeal one aspect of the First Instance 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 First Instance Judgment turned on the Court of Appeal's interpretation of the wording of the consequential loss clause in the rig contract.

Following the Order of Her Majesty's Court of Appeal of England and Wales in April 2016 (the "EWCA Order"), the Company was ordered to pay Transocean a gross amount of c. \$6.77 million in respect of certain amounts claimed by Transocean in the context of the original legal proceedings issued against the Company by Transocean in May 2012. 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. As confirmed on July 20, 2016, the Company discharged the sums owing to Transocean in respect of the EWCA Order. The EWCA Order also stated that any other matters in dispute between the Company and Transocean in the legal proceedings would be the subject of a further hearing in the Commercial Court in London unless otherwise resolved between the parties. A date of October 14, 2016 was set for this hearing.

### **Commercial Court Ruling – October 2016**

The matter considered by the Commercial Court on October 14, 2016 was whether Transocean was entitled to its legal costs (and interest thereon) in respect of the First Instance Judgment for the period from August 30, 2014, on the basis of Transocean having previously made an offer to the Company to reach a settlement in respect of those proceedings pursuant to Part 36 of the English Civil Procedure Rules (the "CPR"). Providence successfully defended its case that Transocean should not be entitled to all of these costs and, in the Judgment handed down on October 20, 2016, the Judge found that it would be unjust to apply the full Part 36 costs consequences in the circumstances of this case, including his previous criticisms of Transocean's conduct which he said "*was not merely unreasonable but dishonest*". Based on the Judgment, Providence paid Transocean a gross figure of approximately £1.10 million (equivalent to approximately \$1.35 million) in respect of all outstanding costs, interest and principal sums, which compares to the previously estimated gross figure of \$3.90 million.

As the Company's joint venture partner in Barryroe (20% interest), Lansdowne Oil & Gas plc is responsible for its share of all costs associated with the litigation.