

Providence Resources P.I.c.

LICENCE UPDATE

SPANISH POINT AREA, NORTHERN PORCUPINE BASIN

- **PROVIDENCE COMMENCES FARM OUT PROCESS TO DIVEST UP TO 32% INTEREST IN THE SPANISH POINT AREA**
- **SPANISH POINT APPRAISAL WELL PROGRAMME NOW BEING PLANNED FOR 2017**
 - CAIRN-OPERATED PROGRAMME EXPECTED TO AVAIL OF SIGNIFICANTLY REDUCED DRILLING & OILFIELD SERVICE COSTS

Dublin and London – October 27, 2015 - Providence Resources P.I.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, today provides an update on the Spanish Point area in the northern Porcupine Basin, offshore west of Ireland. The Spanish Point area includes Frontier Exploration Licence (FEL) 2/04 and 4/08, in which Providence holds a 58% equity interest and which are operated by Capricorn Ireland Limited (38%), a wholly owned subsidiary of Cairn Energy PLC with Sosina Exploration Limited holding the remaining 4% equity interest. The area contains the upper Jurassic Spanish Point gas condensate field and Lower Cretaceous Burren oil discovery, as well as many other identified leads and prospects, and is located in c. 400 m water depth being c. 160 km off the west coast of Ireland.

Background

The Spanish Point gas condensate field was discovered in 1981 by the Phillips Petroleum operated 35/8-2 well which encountered a series of stacked over-pressured upper Jurassic reservoirs located in a large rotated fault block structure. Net hydrocarbon pay of c. 276 feet was logged over three reservoir intervals encountered in the vertical discovery well. The 35/8-2 well flowed at a rate of 4.85 MMSCFD and 925 BOPD (40° API condensate) from one single unstimulated reservoir zone exhibiting a significant skin factor of c. +35. Operator studies indicate that an unstimulated well (zero skin) could have flowed at rates of up to c. 30 MMSCFD & c. 5,700* BCPD (c. 10,700 BOEPD) from the single tested interval. Modern analysis of the original 35/8-2 well data in tandem with the recent 3D PreSDM seismic data, now support Pmean contingent and prospective recoverable HIIP resources of 730 MMBOE (2,034 BCF & 391 MMBC) and recoverable resources of 337 MMBOE** (1,322 BCF & 117 MMBC) in the Spanish Point field.

Appraisal Drilling Programme Update

Following previous delays to the Spanish Point appraisal programme, the Operator now plans to commence operations for drilling during 2017, subject to governmental approval. Further information on this programme will be provided in due course. Recent material reductions in both offshore rig-rates and associated services costs indicate that the net costs associated with this high impact appraisal programme are likely to be significantly reduced compared to previous estimates.

Divestment Process

Providence has just commenced a farm out process for part of its interests in FEL 2/04 and FEL 4/08. This formal process, which is being formally launched at the Atlantic Ireland Conference in Dublin later today, will focus on the divestment of a 32% non-operated interest, leaving Providence with a 26% interest. In addition to hosting a material drill-ready appraisal opportunity, the licences also enjoy the advantages of modern 3D PreSDM seismic coverage together with a base corporation tax rate of 25%.

Commenting on the announcement, John O'Sullivan, Technical Director of Providence said:

"Following the recent closure of the 2015 Irish Atlantic Margin bidding round, which attracted record industry interest, this divestment process represents an excellent opportunity for a third party to acquire a material, non-operated equity stake in a large Irish offshore project with near term appraisal drilling, combined with further appraisal and exploration upside. The proposed drilling programme is being managed by established Operator Cairn Energy and is expected to take advantage of the recent fall in global offshore drilling and service costs."

*based on a CGR estimate of c. 192 BBL/MMSCF derived from the 35/8-2 well test data

** based on a recovery factor of 65% for gas and 30% for condensate



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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 the AIM in London and the ESM in Dublin.

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.