

## TECHNICAL UPDATE

### FRONTIER EXPLORATION LICENCE 1/14, NORTHERN PORCUPINE BASIN

**INITIAL INTERPRETATION OF RECENTLY ACQUIRED 3D SEISMIC DATA CONFIRMS THE PRESENCE OF A LARGE BASE CRETACEOUS STRUCTURAL CLOSURE ('RUADHAN PROSPECT')**

**PREVIOUS 35/13-1X WELL TARGETTED BUT FAILED TO PENETRATE THE RUADHAN PROSPECT**

**PROSPECT LIES ON-TREND AND C. 20 KM SOUTH OF THE UPPER JURASSIC SPANISH POINT GAS CONDENSATE FIELD**

**Dublin and London – January 29, 2016** - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, today provides a technical update from the Ruadhan 3D seismic survey. This survey, which was acquired in 2014, covers Frontier Exploration Licence (FEL) 1/14, which is located in the northern Porcupine Basin in c. 500 m water depth and c. 150 km off the west coast of Ireland. FEL 1/14 lies immediately to the south of FEL 2/04, which contains the Spanish Point gas condensate field and in which Providence holds a 58% equity interest. Capricorn Ireland Limited (38%) (the "Operator"), a wholly owned subsidiary of Cairn Energy PLC, operates FEL 1/14 on behalf of its partners, Providence Resources (58%\*) and Sosina Exploration (4%).

The Operator has now completed the initial interpretation of the key Base Cretaceous reflection within FEL 1/14 using the pre-stack time migrated 3D seismic data. This interpretation has confirmed the presence of the significant north-south orientated "Rudhan Prospect" at Base Cretaceous level that covers a c. 36 km<sup>2</sup> area and which had been evident on the previous 2D seismic reflection profile data. These new 3D seismic data also provide a significant improvement in the detailed imaging of pre-Cretaceous structure and stratigraphy. These data also confirm that the previous 1977 Shell-operated 35/13-1x well, which targeted the Ruadhan Prospect, failed to reach the feature being terminated in the overlying Lower Cretaceous section due to operational issues. The Ruadhan Prospect lies on-trend and is c. 20 km south of the upper Jurassic Spanish Point gas condensate field, which was subsequently discovered in 1981 and where the Operator now plans to commence operations for drilling during 2017, subject to governmental approval. Further interpretation and mapping will be carried out to finalise the prospective resource potential associated with the Ruadhan Prospect.

*\*Providence has agreed to assign a 15% equity interest in FEL1/14 to Chrysaor Holdings which is subject to final ratification and which will reduce Providence's equity interest from 58% to 43%.*

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

*"These new 3D data have confirmed the presence of a significant pre-Cretaceous structural closure in close proximity to the proven Upper Jurassic Spanish Point gas condensate field. When taken in tandem with the previous studies carried out on our adjacent acreage, this latest interpretation supports the potential existence of an extensive and material Upper Jurassic gas condensate structural play fairway across the northeastern flank of the Porcupine Basin."*

#### **INVESTOR ENQUIRIES**

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

Tony O'Reilly, Chief Executive Officer  
Dr. John O'Sullivan, Technical Director

Tel: +353 1 219 4074

##### **Cenkos Securities plc**

Neil McDonald/Derrick Lee

Tel: +44 131 220 9771

##### **J&E Davy**

Eugene Mulhern/Anthony Farrell

Tel: +353 1 679 6363



## **MEDIA ENQUIRIES**

### **Powerscourt**

Lisa Kavanagh/Rob Greening

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

## **ABOUT SPANISH POINT**

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 +21. The current Operator has estimated that an undamaged 35/8-2 vertical well (zero skin) could have flowed at rates of 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 supports an un-risked HIIP of c. 730 MMBOE (2,034 BCF & 391 MMBC) and combined contingent plus prospective recoverable resources of up to c. 337 MMBOE (1,322 BCF & 117 MMBC) in the Spanish Point field.

Following previous delays to the Spanish Point appraisal programme, the Operator now plans to commence operations drilling during 2017, subject to governmental approval. 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.

Providence has retained the services of Schlumberger to assist in the partial divestment of its interests in FEL 2/04 and FEL 4/08. This formal process, which will commence during Q4 2015, 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, both licences also enjoy the advantages of modern 3D PreSDM seismic coverage, together with a base corporation tax rate of 25%.

## **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 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.