

23 June 2009



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

## **ANNUAL GENERAL MEETING**

At Providence's Annual General Meeting held this morning in Dublin, shareholders were updated on the Company's activities and on its future plans - the key highlights of which include:

### **PLACING**

The Company today announces the conditionally placing (the "Placing") of up to 431,883,450 new ordinary shares of €0.001 each at a price of sterling 3.3 pence per new ordinary share. The Placing, arranged through Cenkos Securities plc in London, is expected to raise approximately £14.3 million (€16.8 million) before expenses. The proceeds will be used to further strengthen Providence's balance sheet by reducing debt levels and to provide working capital for future investments in revenue enhancing projects.

Application will be made the Irish Stock Exchange and to the London Stock for the new ordinary shares to be admitted to trading on the IEX market of the Irish Stock Exchange and to the AIM Market of the London Stock Exchange. Dealings are expected to commence in these new ordinary shares on 30 June 2009.

### **EIRGAS OPTION TO ACQUIRE 40% OF KINSALE HEAD**

The Company has entered into an Option Agreement with PETRONAS to acquire 40% of the Kinsale Head gas production, storage and trading business.

PETRONAS acquired the assets from Marathon Oil Corporation in a deal worth \$180 million in April of this year. The deal was effective January 1<sup>st</sup>, 2008.

The assets include Ireland's only operating gas storage facility in the SW Kinsale gas field. If the Option is executed as planned, Providence's attributable daily production will double to over 4,000 BOEPD. Providence will also gain exposure to new and existing gas storage and trading opportunities, which is seen as a high potential future growth area.

In many EU Countries, particularly those on the periphery such as Ireland and the UK, are in short supply of strategic gas reserves and storage facilities. The existing security of supply uncertainty, particularly in the context of recent issues in the Ukraine discussed at last week's EU Leader's Summit, will drive the need to develop such further gas storage projects.

## **PRODUCTION**

The current and planned production increases from existing assets should see the Company reach its target of 3,000 BOEPD by year end. Looking further ahead, the Company is planning production rates to reach 5,000 BOEPD in 2012.

A recently published independent reserve report\* on the Company's producing assets at the UK onshore Singleton oil field together with the Gulf of Mexico assets by Collarini Associates shows total confirmed proved, probable and possible reserves of 12.5 MMBO and 50.8 BCF (or 21.0 MMBOE), broken down as follows,

Proved	6.3 MMBO and 24.8 BCF (10.4 MMBOE)
Probable	2.2 MMBO and 12.3 BCF (4.3 MMBOE)
Possible	4.0 MMBO and 13.7 BCF (6.3 MMBOE)

(\*A copy of the executive summary of the report has been placed on the Providence website).

## **DEVELOPMENT**

- The Galveston A-155 gas field development in the Gulf of Mexico is expected to start-up within the next 4 weeks.
- Aje Field, offshore Nigeria has been deemed a commercial discovery. Accordingly, the partners have authorised Chevron, as Technical Advisor to the Operator, to prepare a development plan for the Aje Field.
- The 3D seismic programme over Spanish Point in the Porcupine Basin has just commenced.
- Sub-surface and drilling studies are continuing on the Baxter's Copse oil discovery in PEDL 233 which was awarded as part of the 13<sup>th</sup> UK Onshore Round and which lies adjacent to the Singleton oil field. The Company holds a 50% operated interest in this licence with Northern Petroleum as a partner.
- The Company secured further acreage on a 100% equity basis around the Dragon discovery in the St George's Channel Basin, offshore Ireland

## **DRILLING**

Providence is currently finalising plans with its various partners for further well intervention and drilling programmes on its offshore assets in the Gulf of Mexico and onshore UK at the Singleton oil field. Further details are expected to be provided later in the year.

- The recent re-completion of a well off the Vermillion 60 platform in the Gulf of Mexico is an example of the opportunities within the Gulf of Mexico asset portfolio. This well re-completion increased Providence's net production from c. 25 BOEPD to c. 600 BOEPD.
- At Singleton, the recent X10 development well was brought on-stream with production rates exceeding expectations by more than 60%. The field modeling which was used to locate the X10 well has identified further infield targets which are currently being assessed for future drilling.

## **EXPLORATION**

- Providence, together with its partners, ExxonMobil and Sosina, continues to evaluate the potential of the Dunquin, Drombeg and Newgrange (formerly known as Goban Spur) exploration prospects. The consortium currently has interests in 27 blocks in the Porcupine Basin.
- Analysis continues with Star Energy (the leading UK gas storage player)/PETRONAS on the ULYSSES Project (gas storage and carbon sequestration) as well as general exploration in the Kish Bank Basin, offshore Dublin.

Dr. Brian Hillery, Chairman of Providence, commented:

*“On top of a busy year, in recent days, we made two very important announcements - this morning's announcement on the raising of approximately £14.1 million and last week's announcement on the Kinsale Option. The successful share placement allows the Company to strengthen its balance sheet by reducing debt levels as well as providing an appropriate amount of equity capital for investment in future revenue enhancing projects.*

*“The three month Kinsale Option (through our subsidiary EIRGAS) to acquire 40% of Kinsale Head represents a truly unique investment opportunity for the Company. Upon exercise, not only will it give Providence significant gas production here in Ireland but it will also move us into the lucrative world of gas trading and storage. Importantly, Kinsale Head comprises Ireland's only working gas storage facility.*

*“These two events complement the existing activities of the Company. With its growing production levels, its advancing development projects, its extensive exploration portfolio and its world class partners, I believe that this tightly managed portfolio of assets gives Providence shareholders a unique investment platform. This, together with our focus on costs, means that Providence shareholders can look to the future with optimism”.*

## **Contacts:**

**Providence Resources Plc**  
Tony O'Reilly, Chief Executive

Tel: +353 1 2194074

**Powerscourt**  
Rory Godson/Elizabeth Rous

Tel: +44 207 250 1446

**Murray Consultants**  
Pauline McAlester

Tel: +353 1 498 0300

**Cenkos Securities Plc**  
Joe Nally/ Nick Wells

Tel: +44 207 387 8900

**Davy**  
Eugénée Mulhern/ Stephen Barry

Tel: + 353 1 679 6363

## **Explanatory Notes**

### **About Providence**

Providence Resources Plc is an independent oil and gas exploration and production company listed on the AIM market in London and on Dublin's IEX market. The Company was founded in 1997, but with roots going back to 1981 when its predecessor company, Atlantic Resources Plc was formed by a group of investors led by Sir Anthony O'Reilly.

Providence's active oil and gas portfolio includes interests in Ireland, the United Kingdom, the United States (Gulf of Mexico) and West Africa (Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically.

Further information on Providence and its oil and gas portfolio, including Annual Reports are available from Providence's website at [www.providenceresources.com](http://www.providenceresources.com)

Providence has been successful in attracting high profile partnerships across its operations, including:

- ExxonMobil - the world's largest publicly traded international oil and gas company
- PETRONAS – wholly-owned by the Malaysian Government, it is a fully-integrated oil and gas corporation and is ranked among FORTUNE Global 500's largest corporations in the world.
- CMI/Transocean - the world's largest offshore drilling contractor,
- Chevron - one of the world's largest integrated energy companies

## **PROVIDENCE - ASSETS BY REGION**

<b><u>Asset</u></b>	<b><u>Location</u></b>	<b><u>Operator</u></b>	<b><u>%</u></b>	<b><u>Type</u></b>
<b>IRELAND</b>				
Pegasus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Orpheus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Dionysus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Dragon (part)	NE Celtic Sea	Marathon	c. 25.0%	Gas development
Hook Head	Celtic Sea	Providence	53.2%	Oil and gas discovery
Dunmore	Celtic Sea	Providence	53.2%	Oil discovery
Helvick	Celtic Sea	Providence	53.2%	Oil and gas discovery
Ardmore	Celtic Sea	Providence	53.2%	Gas discovery
Blackrock	Celtic Sea	Providence	53.2%	Oil discovery
LO 1/07	Celtic Sea	Providence	53.2%	Oil and gas exploration
Barryroe	Celtic Sea	Lansdowne	30.0%	Oil and gas discovery
Spanish Point	Porcupine Basin	Providence	56.0%	Gas development
Burren	Porcupine Basin	Providence	56.0%	Oil discovery
FEL 4/08	Porcupine Basin	Providence	56.0%	Oil and gas exploration
Dunquin	Porcupine Basin	ExxonMobil	16.0%	Oil and gas exploration
Drombeg	Porcupine Basin	ExxonMobil	16.0%	Oil and gas exploration
Newgrange	Goban Spur Basin	Providence	16.0%	Oil and gas exploration
Kish	Kish Bank Basin	Providence	50.0%	Oil and gas exploration

<b>UNITED KINGDOM</b>				
Singleton	Onshore	Providence	99.1%*	Oil and gas production
Baxter's Copse	Onshore	Providence	50.0%	Oil discovery
Burton Downs	Onshore	Providence	50.0%	Oil and gas exploration

\*99.125%

<b>UNITED STATES</b>				
High Island A 268	Gulf of Mexico	Peregrine	5.0%	Oil and gas production
Galveston A 155	Gulf of Mexico	Peregrine	10.8%	Gas development
Ship Shoal 252/253/267*	Gulf of Mexico	SPN	50.0%	Oil and gas production
Main Pass 19	Gulf of Mexico	Petsec	45.0%	Oil and gas production
East Cameron 257	Gulf of Mexico	SPN	12.5%	Gas production
West Cameron 333	Gulf of Mexico	Mariner	32.5%	Gas production
Vermillion 60	Gulf of Mexico	SPN	50.0%	Gas production
Ridge	Onshore Louisiana	Brammer	30.0%	Gas production
Main Pass 89**	Gulf of Mexico	Beryl	17.5%	Gas production

\*Earned interest through well bore

\*\* Back-in rights for 25% of 70% after pay out

<b>NIGERIA</b>				
AJE, OML 113	Offshore Nigeria	YFP/Chevron	5.0%	Oil and gas development

## **Announcement**

In accordance with the AIM Rules – Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by John O’Sullivan, Exploration Manager of Providence Resources P.l.c. John O’Sullivan is a Geology graduate of University College Cork and holds a Masters in Geophysics from The National University of Ireland, Galway. John also holds a Masters in Technology Management from the Smurfit Graduate School of Business at University College Dublin and is presently completing a dissertation leading to a PhD in Geology at Trinity College, Dublin. John is a Fellow of the Geological Society and a member of the Petroleum Exploration Society of Great Britain. He has 19 years experience in the oil and gas exploration and production industry and is a qualified person as defined in the guidance note for Mining Oil & Gas Companies, March 2006 of the London Stock Exchange.

## **Glossary of Terms Used**

BCF	Billion Cubic Feet of Gas
MMBO	Million Barrels of Oil
BOEPD	Barrels of Oil Equivalent per Day
MMBOE	Millions of Barrels of Oil Equivalent (1 BOE = 6,000 SCFG)

SPE/WPC/AAPG/SPEE Petroleum Resource Management System 2007 has been used in preparing this announcement