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PROVIDENCE AGREES TO FARM OUT INTEREST IN BALTIMORE HEAVY OIL DISCOVERY, OFFSHORE IRELAND

- **NORTH SEA HEAVY OIL SPECIALIST NAUTICAL PETROLEUM TO ACQUIRE 40% INTEREST**
- **NAUTICAL TO FUND AND CARRY OUT BALTIMORE DEVELOPMENT FEASIBILITY WORK PROGRAMME**

Providence Resources P.l.c., ('Providence') the Irish oil and gas exploration and production company, whose shares are listed in London (AIM) and Dublin (IEX), is pleased to announce that it has agreed to farm out a 40% equity interest in Licensing Option 10/1 to Nautical Petroleum plc ('Nautical'). Licensing Option 10/1 contains the Baltimore heavy oil discovery situated some c. 30 kilometers offshore Ireland in the North Celtic Sea Basin in c.100 metre water depth. Discovered in 1992, this 11° API heavy oil accumulation is estimated to have an in place resource potential of up to c. 300 MMBO.

In return for the 40% equity stake, Nautical will fund and carry out a focused work programme on the development feasibility of the Baltimore discovery. Providence will retain a 60% equity interest, operated through its special purpose vehicle, EXOLA Limited. Nautical is currently involved in a number of similar heavy oil field developments in the UK North Sea including the Kraken discovery, which they operate, and Mariner, which is operated by Statoil. The farm-out transaction is subject to Irish governmental approval.

Speaking today, Tony O'Reilly, Chief Executive of Providence, said:
"We are extremely pleased to have secured such a capable JV partner for the Baltimore project so quickly following the award of the Licensing Option. We are particularly pleased to be working with Nautical who have a real track record in the development assessment of offshore heavy oil projects."

Steve Jenkins, Chief Executive of Nautical, said:
"We look forward to working with Providence and using our expertise in heavy oil developments on this exciting discovery in this new arena."

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Notes to Editors**About Providence**

Providence Resources Plc is an independent oil and gas exploration company listed on the AIM market in London and on Dublin's IEX market. Providence's active oil and gas portfolio includes interests in Ireland (offshore), the United Kingdom (onshore and offshore), the United States (offshore) and West Africa (offshore Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically. Comprehensive information on Providence and its oil and gas portfolio, including all press releases, annual reports and interim reports are available from Providence's website at www.providenceresources.com.

About EXOLA

EXOLA Limited is a special purpose vehicle established by Providence to invest in heavy and unconventional oil developments and opportunities offshore Ireland and the United Kingdom. EXOLA is currently owned 100% by Providence.

About Nautical Petroleum

Nautical Petroleum plc is developing significant heavy oil resources in the United Kingdom Continental Shelf (UKCS) and in Europe. They operate the Kraken discovery and hold a 35% interest. They are also a 26.67% partner in the Statoil operated Mariner discovery. In addition, they hold significant equity interests in number of exploration and appraisal blocks in the UKCS and France. Their aim is to secure further heavy oil discoveries in the UKCS and EU through acquisitions, farmins and licensing rounds. More information on Nautical can be found on www.nauticalpetroleum.com

About Baltimore

The Baltimore discovery well (48/19-2) was drilled in 1992 on a Lower Cretaceous structure with an areal extent of c.12 square kilometers. The well encountered a c. 300' gross hydrocarbon bearing section at c. 3,000' TVDSS in sands of Lower Cretaceous age which are similar to those producing at the nearby Kinsale Head field. Oil recovered during testing was a heavy crude (c. 11° API) and reservoir cores indicate excellent production potential with permeabilities of greater than 3,000 mD and log derived porosities of c.27%. As the well was originally targeting a gas prospect and given poor heavy oil economics at that time, the well was subsequently plugged and abandoned. Providence has carried out an initial evaluation of the resource potential of the Baltimore discovery based on the available pertinent well data and published subsurface mapping. This study indicates an in place resource potential of up to c. 300 MMBO.

About Heavy/Unconventional Oil

Heavy oil is crude oil which does not flow easily as its density or specific gravity is higher than that of light/conventional oils. Heavy crude oil is defined as any liquid petroleum with an API gravity of less than 20° which is mostly the result of the oil being derived from an early mature source rock or else due to subsequent effects of bacteria, water or air on a light oil which result in the loss of the lighter fractions. Heavy oil has received renewed interest due to the recent increases in oil price as it provides a potential significant source of new global oil reserves.

Announcement

This announcement has been reviewed by John O'Sullivan, Exploration Manager, Providence Resources P.I.c. John holds a B.Sc. in Geology from University College Cork, Ireland, an M.Sc. in Applied Geophysics from the National University of Ireland, Galway and a M.Sc.in Technology Management from The Smurfit School of Business at University College Dublin. John is presently working part-time on a PhD dissertation at Trinity College, Dublin. John has worked in the offshore business for 20 years and is a fellow of the Geological Society of London. Definitions in this press release are consistent with SPE guidelines.