

16 February 2010



PROVIDENCE SECURES EXPLORATION AUTHORISATION OVER BALTIMORE HEAVY OIL DISCOVERY, OFFSHORE IRELAND

- **TWO YEAR LICENSING OPTION GRANTED**
- **INITIAL ESTIMATES SUGGEST A RESOURCE POTENTIAL OF UP TO C.
300 MILLION BARRELS**
- **BUSINESS TO BE CARRIED OUT THROUGH EXOLA LIMITED,
PROVIDENCE'S NEW SPV ESTABLISHED TO FOCUS ON
HEAVY/UNCONVENTIONAL OIL**

Providence Resources P.I.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 been awarded Licensing Option 10/1 over the Baltimore heavy oil discovery located in block 48/19(p) in the North Celtic Sea Basin, offshore Ireland. The 48/19-2 discovery well is situated some c. 30 kilometers off the south coast of Ireland in c.100 metre water depth. Discovered in 1992, this c. 11° API heavy oil accumulation is estimated to have an in place resource potential of up to c. 300 MMBO.

Speaking today, Tony O'Reilly, Chief Executive of Providence, said:

"We are pleased to have secured this license. Whilst technically challenging, we believe that the Baltimore oil accumulation deserves further review given the current sustained higher oil pricing environment together with the recently announced progress on similar oil accumulations in the North Sea. As heavy/unconventional oil is a new business focus for Providence, the analysis will be carried out through EXOLA Limited, our new special purpose vehicle, in which any future developments will be financed separately from the parent company. We look forward to updating our shareholders on what we believe could prove to be a very exciting and valuable addition to our growing business portfolio".

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Notes to Editors

About EXOLA Limited

EXOLA Limited is a SPV (special purpose vehicle) established by Providence to invest in heavy and unconventional oil developments and opportunities offshore Ireland and the United Kingdom. EXOLA, which is an Irish Company, is owned 100% by Providence.

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 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 well data and published subsurface mapping. This study indicates an in place resource potential of up to c. 300 MMBO. Industry commentators Wood MacKenzie have stated that similar heavy oil accumulations are likely to have a 10-30% recovery efficiency indicating that Baltimore could have up to 30-100 MMBO reserve potential. As part of the agreed work programme, Providence plans to verify the resource potential through in-depth internal study together with a review of potential development scenarios in order to finalise the reserve potential of the Baltimore discovery.

Recent work by major operators such as Statoil is currently progressing similar heavy oil accumulations in the North Sea, most notably the Mariner and Bressay accumulations toward development. It is likely that standard heavy oil field technologies such as artificial lift, horizontal drilling and chemical injection will play key roles in any ultimate commercialization of the Baltimore oil resource.

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 bearing 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.l.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.

Map of the Baltimore Licence Option

