

August 26th 2008



CELTIC SEA OPERATIONAL UPDATE

- **COMPLETION OF HOOK HEAD DRILLING OPERATIONS**
 - Hydrocarbons logged in north-west flank
 - Well 50-11/4 to be plugged and abandoned

- **DUNMORE DRILLING OPERATIONS TO START**
 - Drilling expected to commence within 10 days

Providence, the AIM (London) and IEX (Dublin) listed oil & gas exploration and production company, today announces that it has concluded the appraisal drilling operation on the north-west flank of its Hook Head oil discovery in Standard Exploration Licence 2/07 in the North Celtic Sea Basin, offshore southern Ireland. The Company is now preparing to commence drilling operations on its nearby Dunmore oil discovery.

The Hook Head appraisal well (50/11-4) was drilled on the north-west flank of the Hook Head structure using the Transocean semi-submersible GSF Arctic II rig and was spudded on August 5th, 2008. The well was successfully drilled to a total depth (TD) of 4,875 feet true vertical depth subsea (TVDS). All geological horizons in the Wealden sand package were within the pre-drill depth prognosis and oil and gas shows were encountered whilst drilling. The well encountered 30 feet of net hydrocarbon bearing Lower Cretaceous sands above the primary objective, which is of an equivalent age to those logged as being hydrocarbon bearing in the 50/11-3 well, located c. 2.3 km to the south-east. Reservoir quality across these intervals was excellent with average porosities of c. 27%. This well constitutes the fourth well to be drilled on the Hook Head structure, all of which have logged hydrocarbons.

However, given that the net hydrocarbon bearing intervals in the 50/11-4 well were substantially less than that which was expected in the pre-drill estimates, the Company and its partners took the decision to plug and abandon the 50/11-4 well. The initial well results suggest that the majority of the Hook Head resource lies in the central part of the structure already demonstrated by the 50/11-1 and 50/11-3 wells, however, the north-west flank could potentially provide additional incremental resources for any future development in the area. The 50/11-4 well results will now be integrated into the Hook Head full field model before finalising forward plans for the accumulation.

In the meantime, and as per programme, the Company has now started the process to move off Hook Head and mobilise the Arctic II drilling unit to the Dunmore oil appraisal well (50/6-D), located approximately 20 kilometres to the north of Hook Head. Drilling on Dunmore is expected to commence within 10 days.

Tony O'Reilly, Chief Executive of Providence said:

"Whilst we were initially encouraged by the presence of hydrocarbons in some excellent quality sands in the upper sections, the less than expected net pay of 30 ft mitigated against the execution of what would have been a costly testing programme. Providence and its partners will now review the well data from this north-west panel, in combination with the previous wells, in order to chart an overall forward programme for Hook Head.

Looking ahead, we now turn our immediate attention to the appraisal drilling programme of the Dunmore oil discovery, which we expect to spud within the next 10 days. This appraisal well is designed to prove additional volumes and to test the Jurassic reservoirs seen in the original discovery well."

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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. 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 (offshore), the United Kingdom (onshore and offshore), the United States (onshore and 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.

Celtic Sea Standard Exploration Licence 2/07

Standard Exploration Licence 2/07 refers to part blocks 49/22, 49/23, 48/29, 48/30, 49/26, 49/27, 49/28, 49/8, 49/9, 49/13, 49/14, 50/6, 50/7 & 50/11 in the North Celtic Sea Basin, offshore southern Ireland. The current Standard Exploration Licence 2/07 partners and their respective percentages are Providence Resources Plc (Operator) 48.6556%, Challenger Minerals (Celtic Sea) Limited 24.5%, Forest Gate Resources Inc. 8.3889%, Atlantic Petroleum (Ireland) Limited 12.3037% and Sosina Exploration Limited 6.1519%.

About Dunmore

The Dunmore oil discovery is located in c. 70 metre water depth being c. 40 km offshore Wexford and is situated in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The 50/6-1 discovery well was drilled in 1986 by Gulf Oil (now part of Chevron), and tested a c. 60' gross interval at a rate of c. 2,100 BOPD from sands of Upper Jurassic age at a depth of c. 5,000' TVDSS. The oil is a light, sweet, 44° API crude and is interpreted to be trapped in a downthrown terrace structure. Mapping of reprocessed 2D seismic data now suggest that this structure rises to the east of the 50/6-1 well location and that an appraisal well would be optimally drilled c. 500' up-dip from the 50/6-1 well. On the assumption that a common contact exists between the 50/6-1 discovery well and this crestal area, a number of sands which were water bearing in the original well should be oil bearing at the crestal area thereby significantly increasing the potential flow rates.

About Hook Head

The Hook Head Field is located in c. 240' water depth being c. 60 km offshore Wexford and is situated in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The Hook Head structure is a large mid-basinal anticline where three previous wells have successfully encountered hydrocarbon bearing sands. The original 50/11-1 discovery well, which was drilled by Marathon in 1971, logged c. 100 feet of hydrocarbon bearing section in five sandstone units of Lower Cretaceous age. The well was not flow-tested due to severe operational issues at that time. The subsequent 50/11-2 appraisal well, which was drilled by Marathon in 1975 was drilled as a delineation well at the down-dip edge of the structure and encountered c. 25' of hydrocarbon bearing section.

In 2007, Providence drilled the 50/11-3 well on a central location some 2 km northeast of the 50/11-1 well and successfully logged a total of c. 110' of net hydrocarbon bearing reservoir. The reservoir zones are of equivalent age to those encountered in the 50/11-1 & 2 wells, located c. 2.5 km and c. 5 km to the south-west, respectively. Whilst key reservoir and fluid data were acquired during the initial well flowing period, down-hole mechanical conditions, which were primarily related to the integrity of the casing string cement bond, delayed the implementation of a full flow test programme. The 50/11-3 well was suspended for future re-entry and potential use as a production well.

