

29 July 2008



PROVIDENCE RESOURCES P.I.c.

PLACING OF CONVERTIBLE BONDS TO RAISE €42 MILLION

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CONFIRMATION OF DELIVERY OF ARCTIC II RIG FOR APPRAISAL DRILLING PROGRAMME OFFSHORE IRELAND

LONDON: 29 July 2008, Providence Resources P.I.c. ("Providence Resources" or the "Company") announces the placing (the "Placing") of convertible bonds ("Bonds") with institutional investors to raise €42 million before expenses. The funds raised from the Bonds issue will be used to fund the upcoming drilling in the Company's Celtic Sea Projects, where Providence has taken delivery of the rig, and to fund certain potential new Gulf of Mexico Projects.

No application has been made for the Bonds to be listed or traded on any stock or investment exchange. Application is, however, expected to be made for the Bonds to be listed on a stock exchange within the next 6 months. The full terms and conditions of the Bonds will be contained in documents issued in connection with such listing.

The Bonds, denominated in units of €100,000 each, carry interest of 12% per annum, payable semi-annually in arrears, and mature on 29 July 2012, at which time all outstanding Bonds will be redeemed, on the basis of repayment of the principal value of the Bonds, plus all accrued and unpaid interest. At the election of the holder of a Bond, the Bonds are convertible into ordinary shares of nominal value €0.001 each in the Company ("Ordinary Shares") at a conversion price of €0.10 per Ordinary Share at any time on or after 29 September 2008. The conversion price represents a 19% premium to the closing price on 21 July 2008 of €0.084, the date on which the Board of the Company agreed the terms of the Bonds. Cenkos Securities plc is acting for the Company in connection with the Placing, which is not underwritten.

Providence also today announces that, together with its partners, they have taken delivery of the GSF Arctic II ("Arctic II") semi submersible drilling rig in anticipation of its upcoming multi-well appraisal drilling programme at the Hook Head and Dunmore oil accumulations in the north Celtic Sea, offshore Ireland.

The Arctic II came under contract over the weekend and the rig is currently being mobilised to Irish waters. Providence and its partners have contracted the Arctic II for a 2 firm well, plus 1 contingent well programme. Drilling is expected to commence within the next 2 weeks. A further announcement regarding this drilling programme will be made in due course.

Tony O' Reilly, Chief Executive of Providence Resources, commented:

"We are very pleased to have successfully completed the placing of this convertible bond which will facilitate the ongoing development of the Company. In particular, the proceeds of this issue will allow the Company to pursue its Celtic Sea drilling programme this summer as well as giving the Company flexibility to invest in new opportunities in the Gulf of Mexico. We are particularly satisfied, given the current volatility of the equity and debt markets, to have successfully completed this financing. I look forward to updating shareholders on the progress of our drilling programme."

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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

Licence No 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 and 50/11 in the North Celtic Sea Basin. 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%.

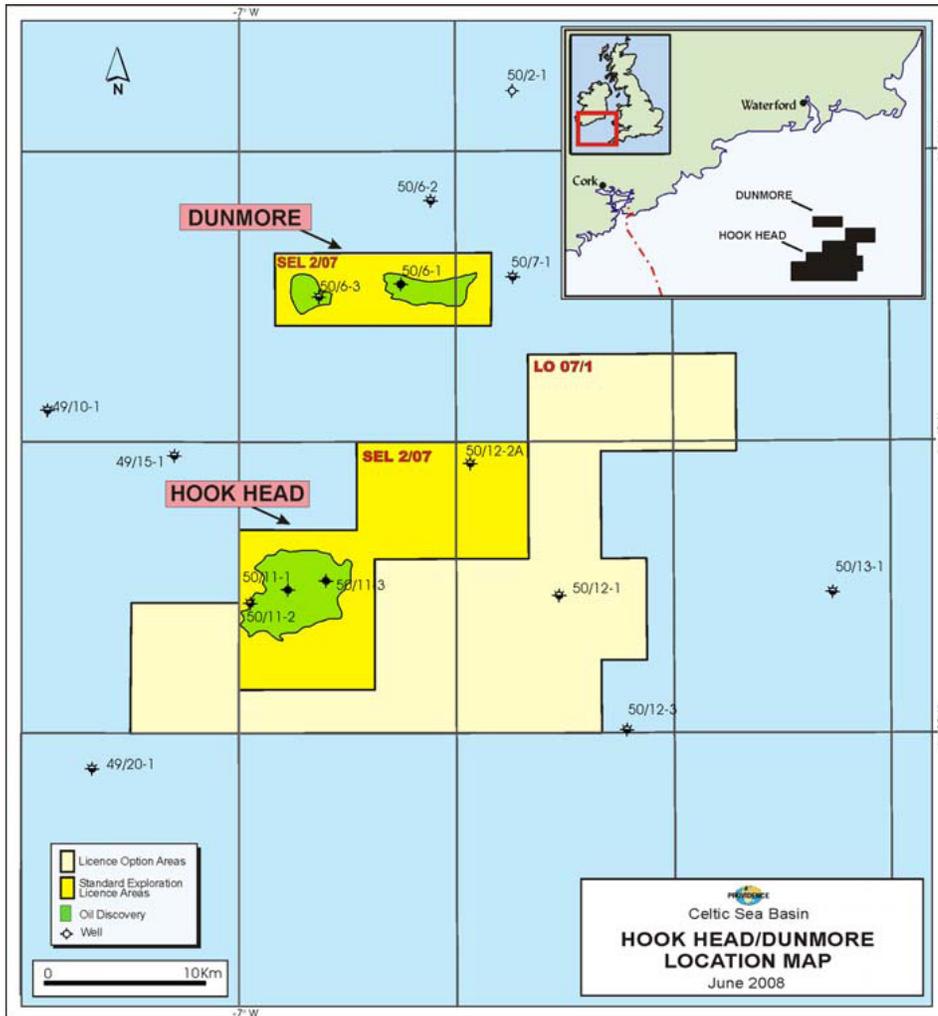
About Hook Head

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.

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, 44o 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.



Cenkos Securities plc (“Cenkos”), which is authorised and regulated in the United Kingdom by The Financial Services Authority, is acting exclusively for the Company as nominated adviser, joint broker and placing agent in connection with the Placing. Cenkos is not acting for any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for advising any other person in relation to the Placing. Neither the Bonds nor the new Ordinary Shares into which the Bonds are convertible have been, nor will be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America or of any province or territory of Canada, Australia, Japan or the Republic of South Africa. There will be no public offering of the Bonds or the new Ordinary Shares into which the Bonds are convertible in the United States. Subject to certain exceptions, neither the Bonds nor the new Ordinary Shares into which the Bonds are convertible may be directly or indirectly offered, sold, transferred, taken up or delivered in, into or from the United States, Canada, Australia, Japan or the Republic of South Africa or their respective territories or possessions. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy Bonds or the new Ordinary Shares into which the Bonds are convertible in any jurisdiction in which such offer or solicitation is unlawful. Accordingly, copies of this announcement are not being and must not be mailed or otherwise distributed or sent in or into or from the United States, Canada, Australia, Japan or the Republic of South Africa and any person receiving this announcement (including custodians, nominees and trustees) must not distribute or send it in or into or from the United States, Canada, Australia, Japan or the Republic of South Africa. This announcement has not been approved by Cenkos for the purposes of section 21 of the Financial Services and Markets Act 2000. This announcement has not been examined or approved by The Financial Services Authority or the London Stock Exchange or any other regulatory authority.