

7 October 2011
Embargo 7am



DRAGON GAS DISCOVERY ST GEORGE'S CHANNEL

TECHNICAL UPDATE

- **THIRD PARTY SEISMIC STUDY INDICATES SIGNIFICANT ADDITIONAL RESOURCE POTENTIAL**
 - Seismically derived hydrocarbon anomaly suggests up to c. 300 BSCF GIIP
 - Increased resource potential primarily in Providence operated block 51/1
- **PLANNING HAS COMMENCED FOR AN APPRAISAL WELL ON DRAGON TO BE DRILLED IN 2012**
 - Reprocessing of 3D seismic data together with rig procurement activities

Providence Resources P.l.c. ('Providence'), the AIM and ESM listed exploration and production company, is pleased to announce that it has completed a seismic inversion study over the Dragon gas discovery ('Dragon') in the St George's Channel Basin, offshore south east Ireland. The Dragon structure is partly situated in Standard Exploration Licence (SEL) 1/07 which lies in c. 100 metre water depth and is located c. 40 km offshore Ireland. The Dragon structure extends across the Ireland/UK median line into UK block 103/1 where the 103/1-1 discovery well was drilled by Marathon Oil in 1994. Providence operates SEL 1/07 (100%) and has applied for UK block 103/1 as part of a recent UK Government 'out of round' process.

Previous work on Dragon has suggested in place resources of up to c. 100 BSCF with a c. 25:75 split between Ireland and the UK. A recently completed Dragon study, which was carried out by IKON Geoscience, involved the modeling of historical well and seismic data using the latest available technology. This study has determined that the presence of the Dragon gas bearing reservoir sands may be directly detectable from the 3D seismic data. Revised mapping using these inverted seismic data indicates that the Dragon gas accumulation may extend further into Irish waters than had been previously been mapped, with a potential resource base of up to c. 300 BSCF and a c. 75:25 resource split between Ireland and the UK. Additional reprocessing of the 3D seismic data has now commenced as part of the planning of an appraisal well to be drilled in 2012.

Speaking today, John O'Sullivan, Technical Director of Providence said:

'The recently completed IKON study has significantly increased the resource potential of the tested gas bearing sands in the Dragon discovery. The results are extremely positive, particularly from an Irish perspective, as they suggest an areally more extensive gas bearing reservoir system extending much further into Irish waters. Given these very encouraging results, additional reprocessing of the Dragon 3D data and well planning have now commenced as a prelude to finalizing the well location for appraisal drilling in 2012.'

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EXPLANATORY NOTES

About Providence

Providence Resources Plc is an Irish based oil and gas exploration company listed on the AIM market in London and on Dublin's ESM market. Providence's portfolio of production, appraisal and exploration assets includes licence interests in Ireland (offshore) and the United Kingdom (onshore). In 2011, Providence announced plans to invest with its partners upwards of \$500 million in the drilling of a number of exploration and development wells in the 6 basins in which it has licences interests offshore Ireland. This multi-year programme represents the largest drilling campaign ever carried out offshore Ireland. www.providenceresources.com.

About The Dragon Discovery

The Dragon gas discovery was made by Marathon Oil UK in 1994 with the drilling of the 103/1-1 well in UK waters offshore SW Wales. Oil and gas were found in Upper Jurassic Callovian and Oxfordian sands and tested at c. 20 MMSCFD and 120 BOPD. Subsequent drilling and 3D seismic data have suggested that the field straddles the Irish-UK median line with a c. 25:75 split respectively. Previous most likely deterministic estimates had indicated an in place resource level of c. 100 BSCF. Scoping development options currently under consideration include subsea tiebacks to either SE Ireland or to the LNG plants in Milford Haven SW Wales.

About IKON Geoscience

Ikon Science is a global geoscience technology company, recognized for industry leadership in predicting reservoir properties, pressures and fluids, through the power of integrating rock physics. Ikon Science's RokDoc® software platform and related Quantitative Interpretation services are used globally in over 100 Oil, Gas, Energy and Service throughout the world. Ikon Science, founded in 2001, employs over 100 people and has offices in London, Durham, Edinburgh, Lagos, Houston, Boulder, Kuala Lumpur and Perth, Western Australia. The company is privately owned and investors include Fleming Family & Partners and Tullow Oil Plc. www.ikonscience.com

Announcement

This announcement has been reviewed by John O'Sullivan, Technical Director, 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 and member of The Petroleum Exploration Society of Great Britain. Definitions in this press release are consistent with SPE guidelines.

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