



# TECHNICAL UPDATE

## DROMBEG PROSPECT

### SOUTHERN PORCUPINE BASIN

- **FRONTIER EXPLORATION LICENCE 2/14 GRANTED OVER DROMBEG PROSPECT**
- **3D SEISMIC SURVEY PLANNING HAS COMMENCED**
- **OFFSET DUNQUIN NORTH WELL HIGHLIGHTS DROMBEG OIL POTENTIAL**

Providence Resources P.l.c., (“Providence”) the Irish oil and gas exploration and production company, whose shares are quoted in London (AIM) and Dublin (ESM), is pleased to provide an update on Licensing Option 11/9 (“LO 11/9” or “Drombeg”). Providence (80%, Operator) and Sosina Exploration (20%) were awarded Drombeg as part of the 2011 Irish Atlantic Margin Licensing Round. The 872 MMBO REC (P50) Lower Cretaceous Drombeg prospect lies in c. 2,500 metre water depth and is c. 3,000 metres below the seabed. The prospect is situated in the southern Porcupine Basin, c. 220 km off West Cork, being c. 70 km from the Dunquin exploration prospect which was drilled during 2013.

Providence has recently been awarded a follow-on Frontier Exploration Licence, (FEL) 2/14, over Drombeg, having made a mandatory 25% areal relinquishment. The principal element of the forward work programme is the acquisition of a 500 km<sup>2</sup> 3D seismic survey over the prospect, with survey planning having already commenced. The main Lower Cretaceous Drombeg prospect is considered to be of a similar age and depositional setting to prospects being targeted by Kosmos Energy further to the north and east in the basin. Notably, the recently completed ExxonMobil-operated Dunquin North exploration well, which encountered a residual oil column in an over-pressured carbonate reservoir, has confirmed that both oil migration and entrapment has occurred within the Lower Cretaceous in this part of the basin.

Speaking today, John O’Sullivan, Technical Director of Providence said,

*“Given the significant oil prospectivity, which was highlighted during the Licensing Option phase, it should come as no surprise that we have elected to progress Drombeg to an exploration licence. We envisage the 3D survey both as a tool to allow for further exploration risk mitigation, together with well planning. The results of the nearby Dunquin North well confirmed our oil-prone model for the area with the overpressure encountered in that well mitigating top-seal risk at Drombeg. In contrast with the Dunquin North target however, our existing 2D seismic data indicates that active hydrocarbon migration into Drombeg is occurring to the present day.”*

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**ABOUT PROVIDENCE**

Providence Resources P.l.c. is an Irish based oil & gas exploration and appraisal company with a portfolio of appraisal and exploration assets offshore Ireland and the U.K. The Company is currently leading a circa \$500 million multi-year drilling programme on a number of exploration/development wells over 6 different basins offshore Ireland, representing the largest drilling campaign ever carried out offshore Ireland [www.providenceresources.com](http://www.providenceresources.com).

**ABOUT DROMBEG**

As mapped, the Lower Cretaceous Drombeg stratigraphic prospect demonstrates a significant seismic amplitude anomaly and low seismic impedance as well as a marked AVO (amplitude versus offset) response. Providence engaged Ikon Science to carry out a rock physics modeling and 2D seismic inversion study of the Drombeg prospect using a number of key 2D seismic lines together with regional well data. This study has concluded that the mapped seismic anomaly is consistent with a modeled hydrocarbon bearing sandstone interval which has a seismically derived thickness of c. 200-300 ft. Providence's mapping shows that the anomaly is aerially extensive covering c. 240 km<sup>2</sup> and is interpreted to be the deep-water equivalent of Lower Cretaceous Apto-Albian aged shallow water marine sandstones encountered in the BP-operated 43/13-1 well, drilled in 1988. That well, which was situated c. 80 km from Drombeg, encountered c. 70 ft of net Apto-Albian sandstone (average porosity of c. 19%). An underlying second seismic anomaly has also been identified and modeled to be consistent with hydrocarbon bearing sandstone with a seismically derived thickness of c. 140-200 ft and both anomalies appear to have a potential common down-dip depth termination. The analysis of the primary Drombeg seismic anomaly has indicated a recoverable P50 prospective resource potential of 872 MMBO, based on an oil-in-place volume of 2.970 BBO, together with analogue data from the North Sea. However, further technical data, including 3D seismic, will be required in order to better assess the ultimate resource potential of the Drombeg prospect. Further similar Lower Cretaceous seismic anomalies have been identified both laterally offset to, as well as vertically stacked with, the Drombeg prospect providing further resource growth potential.

Two separate stratigraphic, but vertically stacked objectives have also been identified in the overlying Lower Cenozoic and underlying Upper Jurassic. The Lower Cenozoic feature is interpreted to comprise a deep-water basin floor fan covering c. 295 km<sup>2</sup> and which exhibits marked amplitude versus offset (AVO) anomaly. The deeper Upper Jurassic feature is mapped as a large tilted fault block structure with c. 140 km<sup>2</sup> of closure. A notable fluid escape feature has been

interpreted at the crest of the Upper Jurassic tilted fault block and which appears to be acting as a hydrocarbon migration path into both the overlying Drombeg Lower Cretaceous and Lower Cenozoic target intervals.

#### **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 25 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