

22 December 2008



PROVIDENCE RESOURCES P.I.c. END OF YEAR TRADING STATEMENT 2008

2008 HIGHLIGHTS

- **Gulf of Mexico: Galveston A-155 gas discovery**
- **Offshore Nigeria: Successful AJE 4 appraisal well**
- **Dunquin: Exxon Mobil becomes Operator**
- **Drombeg: New 13 Block licence awarded to Providence, Sosina and Exxon Mobil**
- **Gulf of Mexico: Acquired Triangle portfolio of oil and gas assets**
- **Porcupine Basin: Chrysaor farms into Spanish Point**
- **Kish Bank Basin, offshore Dublin: Awarded Licensing Option with Star/Petronas and commenced ULYSSES Project**
- **Raised €42 million Convertible Bond**

2009 OUTLOOK

- **Singleton, Onshore UK: Drilling of X-10 well in Q1**
- **Gulf of Mexico: Commencement of production at Galveston A-155**
- **Nigeria: AJE Project advancing towards Declaration of Commerciality**
- **Gulf of Mexico: Drilling initiatives/re-completions within Triangle portfolio**
- **Spanish Point, Porcupine Basin: 3-D Seismic programme**
- **Increasing exposure to gas storage opportunities**
- **Dunquin, Newgrange and Drombeg: Forward plans with Exxon Mobil**

Commenting on activity during 2008 and future plans for 2009, Tony O'Reilly, Chief Executive of Providence Resources P.I.c., said:

"2008 has been Providence's most successful year to date in key areas such as reserve addition, project sanction, portfolio diversification and expansion of partnerships. In 2008, the discovery of gas at Galveston Island A-155, together with the acquisition of the Triangle oil and gas portfolio, substantially grew our reserve base and production levels in the Gulf of Mexico from our initial entry in 2007. Combined with growing oil production from Singleton (onshore UK), the Company has the necessary cash flow to meet its operational requirements going forward. This cash flow has been further enhanced by successful hedges put in place, which saw the Company enter into multi-year contracts at base prices of \$100/BL oil and \$10/MMCF gas for a significant proportion of its production.

“Looking ahead, this production cash flow should further benefit in 2009 from the reinstatement of production which has been compromised since Hurricanes Gustav and Ike, as well as the start up of new production from Galveston A-155 in the Gulf of Mexico. In addition, we are planning to drill the X-10 well at Singleton in Q1 2009, which we believe will enhance production significantly whilst providing important new data which we hope will improve the ultimate reserve potential of this large oil field.

“In West Africa, Providence participated in the AJE-4 well which not only successfully achieved its appraisal objectives but also confirmed the presence of a new deeper hydrocarbon system in block OML 113. We believe that the AJE-4 well has materially progressed this project towards Declaration of Commerciality and, together with other companies’ recent successes offshore Ghana, confirm the potential of the West African Transform Margin as a future petroleum province. Closer to home, we drilled two wells offshore Ireland in the Celtic Sea, which both encountered hydrocarbons, but the overall results were disappointing and will require further evaluation and analysis before deciding on any next steps.

“2008 also saw Providence enter into a new partnership with Chrysaor on Spanish Point. The year also saw Providence further consolidating its relationship with Exxon Mobil through the successful acquisition of the 13 new blocks over the Drombeg prospect in the Porcupine Basin. Providence now holds interests in 27 blocks off the west coast of Ireland in partnership with Exxon Mobil and, importantly, 2008 saw Exxon Mobil assume Operatorship over the Dunquin licence and declare it technically ‘ready to drill’.

“During the period, we were also delighted to welcome Star Energy/Petronas into Ireland as our partner in the new Kish Bank Licensing Option. This represents the first project sanctioned under our Irish Gas Storage MOU. Not only does this now facilitate Providence to work with two world class companies offshore Ireland, but it also allows Providence to investigate the potential of Irish gas storage opportunities, both methane and CO₂, businesses which may become important adjuncts to our existing exploration and production business model. We were also very pleased to see that Star/Petronas has agreed to acquire Marathon’s Kinsale gas fields and associated infrastructure, which includes gas production and storage.

“Providence Resources enters 2009 with a clear strategy, strong partners and an even more enhanced asset portfolio with a great deal of activity planned. Combined with the solid financial base of production cash flow and our existing credit facility, I am confident that Providence represents a strong investment proposition for shareholders.”

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Notes to Editors

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 (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 the AIM Admission document and Annual Reports are available from Providence's website at www.providenceresources.com

Note Regarding Forward looking statements

Some statements in this announcement are forward-looking. They represent our expectations for our business, and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and projections about future events. We believe that our expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond our control, our actual results or performance, may differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document and no obligation is undertaken, save as required by law or by the Listing Rules of the Irish Stock Exchange and/or the UK Listing Authority to reflect new information, future events or otherwise.

Terms Used in the Announcement

BL – BARREL OF OIL

MMCF – THOUSAND CUBIC FEET OF GAS

BOE – BARRELS OF OIL EQUIVALENT

BCF – BILLION CUBIC FEET