



PROVIDENCE RESOURCES P.I.c. END OF YEAR TRADING STATEMENT 2010

2010 HIGHLIGHTS

PRODUCTION

- Reinstatement of production from Ship Shoal 253, Gulf of Mexico, USA
- Commencement of two well drilling programme at Singleton, Onshore UK

APPRAISAL/DEVELOPMENT

- Porcupine Basin
 - Spanish Point gas condensate discovery: Results of 3D seismic, outline development and forward appraisal programme announced
 - Burren oil discovery: 3D seismic evaluation completed
- St George's Channel
 - Farm out option agreed with Star PETRONAS over SEL 1/07 (Dragon gas field)
- North Celtic Sea
 - Barryroe oil discovery: Increased shareholding to 50% and assumed Operatorship
 - Baltimore oil discovery: New licensing option authorisation and farm out to Nautical Petroleum
 - Helvick oil discovery: Farm out of 10% to Lansdowne and ongoing evaluation of development options to first oil
 - Hook Head: Farm out option agreed with Sosina in return for drilling of a well
 - Nemo oil discovery (formerly Ardmore): Farm out to heavy oil specialists Nautical Petroleum

EXPLORATION

- Dunquin Prospect, Porcupine Basin: Well site survey completed
- Secured first Exploration License in Northern Ireland over Rathlin Island
- New Exploration Prospects, offshore Ireland:
 - Dalkey Island oil prospect, Kish Bank Basin
 - Marlin gas prospect, North Celtic Sea Basin
 - Wilde gas condensate prospect, Porcupine Basin

OTHER

- AMEC awarded ULYSSES gas storage conceptual study for the Kish Bank Basin
- Placing of shares in February raised €16.3 million
- Consolidation of share capital in May 2010

2011 OUTLOOK

PRODUCTION

- Singleton, Onshore UK
 - Programme to double production rates to over 1,500 BOEPD within the next two years through additional wells, well stimulation, hydraulic fracturing and installation of generators to monetise flared gas. This programme is ongoing.
- Gulf of Mexico, US
 - Various planned re-completes and further drilling of PUD's

DRILLING

- Singleton, Onshore UK
 - Conclude X8 lateral drilling programme
 - Drill X12 well
- Ireland
 - Commencement of multi-year, 12-well drilling programme over 6 basins
 - Exploration Targets
 - Dalkey Island Oil Prospect
 - Rathlin Island Oil Prospect
 - Marlin Gas Prospect
 - Orpheus Gas Prospect
 - Pegasus Gas Prospect
 - Dunquin Gas Prospect
 - Appraisal/Development
 - Hook Head Oil Discovery
 - Spanish Point Gas Condensate Discovery
 - Barryroe Oil Discovery
 - Burren Oil Discovery
 - Pre-production
 - Helvick Oil Field
 - Dragon Gas Field

OTHER ACTIVITIES

- 3D seismic – to be carried out in North Celtic Sea and Main Porcupine Basin
- ULYSSES – complete evaluation of Kish Bank gas storage opportunity with AMEC
- Gas to Wire Project – complete installation at Singleton
- AJE – Evaluation of commercial field development is ongoing
- Corporate – evaluation of Irish/UK opportunities and further partner affiliations

Commenting on activity during 2010 and the future plans for 2011, Tony O'Reilly, Chief Executive of Providence Resources P.l.c., said:

“2010 has seen a huge amount of activity at Providence. We have assembled a balanced portfolio of drillable prospects while also ensuring that we have the appropriate partners for these specific assets. 2011 and beyond is all about drilling and we are expecting significant activity in our three operational areas of the United Kingdom, the Gulf of Mexico and, most importantly, offshore Ireland where we have multiple drilling targets. This not only represents the largest drilling programme in our history but it will also be the largest co-ordinated multi-basin drilling programme carried out offshore Ireland. Working with our partners, over the next two years, we plan to carry out a comprehensive drilling programme to test the hydrocarbon potential of some of the major basins offshore Ireland, consisting of both high impact exploration and appraisal/development wells.

“At the same time, we remain focussed on our production portfolio, and here we will see further investment at Singleton, as well as in the Gulf of Mexico. At Singleton, we are forecasting a doubling of production within the next two years. The cumulative impact of our investments at Singleton and in the Gulf of Mexico should see production levels increase by nearly 50% from current levels of 1,700 BOEPD to over 2,500 BOEPD by the end of 2011.

“On the development front, the announcement of the results from the Spanish Point 3D survey, and the associated development studies, was a major milestone which heralds this project as Ireland's next major hydrocarbon development project. Equally important was the increase in equity at Barryroe, our assumption of operatorship and the planned fast tracking of the appraisal programme there. The whole Celtic Sea portfolio has materially changed over the past year in terms of new partners, agreed farm out deals and the forward programme of activity, and we expect this to continue in 2011.

“Within the exploration portfolio, the successful conclusion of the site survey over Dunquin was the last key step in the pre-drill activities, and we now await formal notification of a spud date from the operator, ExxonMobil. In 2010, we also had notable success in identifying and capturing large new exploration prospects offshore Ireland, including the Wilde prospect under Spanish Point; the Dalkey Island oil prospect, offshore Dublin; the Marlin gas prospect in the Celtic Sea, adjacent to the Kinsale Head gas field, and the Rathlin Island oil prospect, our first exploration licence in Northern Ireland.

“Providence enters 2011 with a clear strategy, strong partners, an increasing reserve base and a dynamic asset portfolio, which will be the subject of a comprehensive drilling programme. Combined with solid macro economic factors (commodity prices and exchange rates), existing cash resources, growing production cash flow and the ongoing support of our shareholders and bankers, we remain confident that Providence represents a compelling long term investment proposition for investors.”

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About Providence

Providence Resources Plc is an independent oil and gas exploration and production company listed on the AIM market in London and on Dublin's ESM market. Providence's active oil and gas portfolio includes interests in Ireland, the United Kingdom, the United States (Gulf of Mexico) and West Africa (Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically. Further information on Providence and its oil and gas portfolio, including Annual Reports are available from Providence's website at www.providenceresources.com.

Announcement

In accordance with the AIM Rules – Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by John O'Sullivan, Exploration Manager of Providence Resources P.l.c. John O'Sullivan is a Geology graduate of University College Cork and holds a Masters in Geophysics from The National University of Ireland, Galway. John also holds a Masters in Technology Management from the Smurfit Graduate School of Business at University College Dublin and is presently completing a dissertation leading to a PhD in Geology at Trinity College, Dublin. John is a Fellow of the Geological Society and a member of the Petroleum Exploration Society of Great Britain. He has 20 years experience in the oil and gas exploration and production industry and is a qualified person as defined in the guidance note for Mining Oil & Gas Companies, March 2006 of the London Stock Exchange.

Terms used in this Announcement

ALL FIGURES QUOTED ARE GROSS FIGURES, UNLESS OTHERWISE STATED

BOEPD

Barrels of Oil Equivalent per Day

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



PROVIDENCE - ASSETS BY REGION

<u>Asset</u>	<u>Location</u>	<u>Operator</u>	<u>%</u>	<u>Type</u>
<u>IRELAND</u>				
Spanish Point	Porcupine Basin	Providence	56.0% ¹	Oil & gas development
Burren	Porcupine Basin	Providence	56.0% ¹	Oil discovery
Wilde	Porcupine Basin	Providence	56.0% ¹	Oil and gas exploration
FEL 4/08	Porcupine Basin	Providence	56.0%	Oil and gas exploration
Dunquin	Porcupine Basin	ExxonMobil	16.0% ²	Oil and gas exploration
Drombeg	Porcupine Basin	ExxonMobil	16.0%	Oil and gas exploration
Cuchulain	Porcupine Basin	ENI	3.2%	Oil and gas exploration
Dalkey Island	Kish Bank Basin	Providence	50.0%	Oil and gas exploration
ULYSSES	Kish Bank Basin	EIRGAS*	100.0%	Gas storage evaluation
Pegasus	St George's Channel	Providence	100.0% ³	Oil and gas exploration
Orpheus	St George's Channel	Providence	100.0% ³	Oil and gas exploration
Dionysus	St George's Channel	Providence	100.0% ³	Oil and gas exploration
Dragon (part)	St George's Channel	Providence	c.25.0% ³	Gas development
Hook Head	Celtic Sea	EXOLA**	72.5% ⁴	Oil & gas discovery
Dunmore	Celtic Sea	EXOLA**	72.5%	Oil discovery
Helvick	Celtic Sea	EXOLA**	62.5%	Oil & gas discovery
Nemo***	Celtic Sea	EXOLA**	72.5% ⁵	Oil & gas discovery
Barryroe	Celtic Sea	EXOLA**	50.0%	Oil discovery
Baltimore	Celtic Sea	EXOLA**	60.0%	Oil discovery
Marlin	Celtic Sea	Providence	60.0%	Oil and gas exploration
¹ Subject to terms of farm out with Chrysaor ² Subject to terms of farm out with ExxonMobil ³ Subject to terms of farm out with PETRONAS ⁴ Subject to terms of farm out with Sosina ⁵ Subject to terms of farm out with Nautical * EIRGAS Limited is a 100% owned SPV established by Providence to invest in gas storage/ CCS opportunities offshore Ireland/UK ** EXOLA Limited is a 100% owned SPV established by Providence to invest in heavy/unconventional oil developments and opportunities offshore Ireland/UK *** previously called Ardmore				
<u>UNITED KINGDOM</u>				
Singleton	Onshore	Providence	99.1%	Oil and gas production
Baxter's Copse	Onshore	Providence	50.0%	Oil discovery
Burton Down	Onshore	Providence	50.0%	Oil and gas exploration
<u>UNITED STATES</u>				
HI A-268	Gulf of Mexico	Peregrine	5.0%	Oil and gas production
GA A-155	Gulf of Mexico	Peregrine	10.8%	Gas production
SS 252/253/267*	Gulf of Mexico	SPN Dynamic	50.0%	Oil and gas production
MP 19	Gulf of Mexico	Petsec	45.0%	Oil and gas production
EC 257	Gulf of Mexico	SPN Dynamic	12.5%	Gas production
WC 333	Gulf of Mexico	Mariner	32.5%	Gas production
VR 60	Gulf of Mexico	SPN Dynamic	50.0%	Gas production
Ridge	Onshore Louisiana	Brammer	30.0%	Gas production
* Earned interest through well bore participation				
<u>NIGERIA</u>				
AJE, OML 113	Offshore Nigeria	YFP/Chevron	6.7%	Oil and gas development