



**PROVIDENCE RESOURCES P.l.c.**  
**("Providence" or the "Company")**  
**Preliminary Results**  
**for the year ended 31<sup>st</sup> December 2012**

Providence Resources P.l.c., the Irish oil and gas exploration and appraisal company, whose shares are quoted in London (AIM) and Dublin (ESM), announces its preliminary results for the year ended 31st December 2012.

**OPERATIONAL HIGHLIGHTS**

**DRILLING PROGRAMME**

The year 2012 was a landmark year for Providence as operations on the first well in the Company's multi-well, multi-year drilling programme offshore Ireland were successfully completed at Barryroe. This \$500 million, six well programme is the largest and most comprehensive drilling programme undertaken offshore Ireland, involving Providence and its partners in a number of exploration and development/ appraisal wells across six different basins offshore Ireland.

This first of six wells, which was successfully tested in March 2012, was an appraisal well on the Barryroe oil field in the North Celtic Sea Basin – the results of which have far exceeded expectations. Drilling of the second well, the Dunquin exploration well in the Porcupine Basin, off the west coast of Ireland commenced in April 2013 and plans are now in place for a further appraisal well to be drilled on the Spanish Point gas condensate field in Q2 2014, following the just announced farm in deal by Cairn Energy Plc. Two additional exploration wells are planned to be drilled in the Rathlin and Kish Bank Basins, whilst a further appraisal well is being planned to be drilled in the St. George's Channel.

**CELTIC SEA BASIN – BARRYROE OIL FIELD**

- Drilling and testing of 48/24-10z well with flow rates of 3,514 BOPD and 2.93 MMSCFGD (c. 4,000 BOEPD), which materially exceeded pre-drill expectations. (March 2012)
  - Additional gas interval also successfully tested.
- Competent Person's Report (CPR) on Basal Wealden Sands issued by leading international audit firm Netherland Sewell & Associates Inc (NSAI) (April 2013)
- Audited figures validate the significant volumetric and recoverable resources. Total on block audited figures (April 2013):
  - 2C STOIPP of 1.048 billion barrels
  - 2C Recoverable Resources of 311 MMBO
    - Excludes additional recoverable gas in solution of 207 BCF (or 34.5 MMBOE)

- Additional 778 MMBO STOIPP (P50) identified in logged hydrocarbon bearing intervals within stacked Lower Wealden and Purbeckian sandstones (September 2012)
- Two year Licensing Option granted over adjacent c. 500 sq km area north and west of Barryroe (August 2012)
- Phase 2 Development Engineering Study now complete
- Farm out process has now commenced
- Forward Plan – Field development preparation studies and post well analysis; farm out

#### **SOUTH PORCUPINE BASIN – DUNQUIN OIL/GAS PROSPECT**

- Commencement of drilling operations (April 2013) with results expected later this summer
- Forward Plan – Await drilling results

#### **PORCUPINE BASIN – SPANISH POINT GAS CONDENSATE FIELD**

- Pre-drill site survey completed (August 2012)
- Farm in by Cairn Energy in to FEL's 2/04 and 4/08, and LO 11/2 (May 2013)
  - Revised Equity levels – Cairn 38.0%, Providence 32.0% , Chrysaor 26%, and Sosina 4.0%
  - Farm in calls for up to 2 wells to be drilled & 3D seismic on LO 11/2
  - Cairn to become Operator
- Forward Plan - Appraisal well to be drilled; 3D Seismic

#### **RATHLIN BASIN – POLARIS OIL PROSPECT**

- Awarded Rathlin Basin Licence P1885 (offshore) ( January 2012)
- Airborne Full Tensor Gradiometry survey completed (September 2012)
- Polaris structure identified (September 2012)
- Forward Plan - Exploration well to be drilled

#### **ST. GEORGE'S CHANNEL BASIN - DRAGON GAS FIELD**

- Awarded UK Licence P1930 over UK seaward block 103/1 (January 2012)
- Forward Plan - Appraisal well to be drilled

#### **KISH BANK BASIN – KISH OIL PROSPECT**

- Receipt of Foreshore Licence (October 2012)
- Voluntary surrender of Foreshore Licence due to the incorrect transposition of certain EU EIA directives into Irish law in 1999 by the Irish government, rendering the licence invalid (February 2013).
- Forward Plan - Exploration well to be drilled

### **OTHER FUTURE DRILLING OPPORTUNITIES**

#### **SOUTH PORCUPINE BASIN – DROMBEG PROSPECT**

- Completion of seismic inversion studies by Ikon Science (August 2012)
- Announced significant resource potential (P50 872 MMBO REC), based on an oil-in-place volume of 2,970 BBO (November 2012)
- Forward Plan - Technical evaluation of future hydrocarbon potential; Farm out; 3D seismic

#### **GOBAN SPUR BASIN – NEWGRANGE PROSPECT**

- Repsol assumed role of Operator (March 2012)
- Forward Plan - Technical evaluation of future hydrocarbon potential

## **SLYNE BASIN - KYLEMORE AND SHANNON PROSPECTS**

- Updated mapping of Kylemore; re-evaluation of Shannon resource potential carried out; Gas potential of 228 BCF identified (April 2012)
- Forward Plan - Technical evaluation of future hydrocarbon potential

All planned drilling, site and seismic activities are based on relevant permit requirements and appropriate equipment availability / procurement.

## **FINANCIAL HIGHLIGHTS**

**This announcement has been prepared on the basis of the results and financial position that the Directors expect will be reflected in the audited statutory financial statements when these are completed.**

### **SHARE PLACING**

- Successful placing of 13.149 million new ordinary shares at stg £4.80 per share to raise gross proceeds of US\$100 million (stg £63 million); the shares were placed at a premium to the then market price and the net proceeds were used to fund the increased equity participation in Barryroe (from 50% to 80%), to complete the repayment of the Convertible Bond and to contribute to costs of the multi-well drilling programme (April 2012)

### **CONVERTIBLE BOND REPAYMENT**

- Final tranche of proceeds from sale of AJE Field (offshore Nigeria) received (US\$6 million) and used to part-pay down Convertible Bond (April 2012)
- Repayment of final balance on Convertible Bond of €29.7 million funded from the proceeds of the April \$100 million share placing. During 2012, total bond repayments of €34.3 million were made, repaying the Convertible Bond in full prior to the scheduled maturity (July 2012)

### **SALE OF ONSHORE UK ASSETS**

- Sale of UK onshore assets (Singleton oil field, Baxter's Copse development project and Burton Down exploration prospect) to I Gas Energy Plc for a consideration of \$66 million (February 2013)
- Sale proceeds were used to extinguish all remaining corporate debt (c. \$44 million), with surplus funds available for investment in drilling activities offshore Ireland

### **FINANCIAL RESULTS – YEAR END 2012**

- With the divestment of the UK onshore operations, the financial results for 2012 now classify Singleton and the UK onshore activities as “discontinued operations” and, accordingly, the comparative 2011 results are shown as re-presented.
- For the year to 31 December 2012, the Company recorded an operating loss of €5.432 million compared to a loss of €4.079 million in 2011 as a result of higher administration expenses related to an increased level of activity associated with the multi-basin drilling campaign.
- The loss for the year from “continuing operations” was lower at €8.233 million compared to a loss of €9.096 million in 2011. The loss from “discontinued operations” amounted to €15.950 million compared to a loss of €4.844 million in 2011.
- The loss for the year attributable to equity holders (comprising both “continued operations” and “discontinued operations”) amounted to €24.183 million (€13.940 million in 2011).

- The loss per share from “continuing operations” was 13.51 cents (19.45 cents in 2011). When combined with the loss per share from “discontinued operations” of 26.17 cents (10.36 cents in 2011), the total loss per share was 39.68 cents compared to a loss of 29.81 cents in 2011.
- At 31 December 2012, cash and cash equivalents were €16.831 million, with this figure excluding the receipt of the proceeds from the sale of the UK onshore business to IGas of \$66 million, of which approximately \$44 million was used to repay back the Deutsche Bank debt facility with the balance made available for general working capital purposes.
- Over the past 18 months, the Company has reduced debt levels by c €75 million and the Company is now debt free.

Commenting on activity during 2012 and the future drilling plans offshore Ireland for 2013 and beyond, Tony O’Reilly, Chief Executive of Providence Resources P.l.c., said:

“2012 was a truly transformational year for Providence, with the most notable event being the successful drilling and well testing on the Barryroe oil field in the Celtic Sea Basin, the first well in our multi-basin drilling campaign offshore Ireland. The Barryroe test results in March came in far above all pre-drill expectations and the subsequent post-well analysis has confirmed the true potential of Barryroe.”

“In April 2013, the independent Netherland Sewell & Associates, Inc. (NSAI) resource audit further substantiated the scale of Barryroe and this has enabled the Company to take a big step forward in advancing its plans to commercialise Ireland’s first oil field. Barryroe has not only exceeded expectations, but has also opened other opportunities in the Celtic Sea, and it has helped to redefine the industry view on the Irish offshore and its’ potential. We are now proceeding with the farm-out discussions to attract a suitably qualified partner to advance the project and take it to first oil.”

“All in all, the success of Barryroe has helped to redefine the industry view on the Irish offshore. It has also had an extremely positive impact on both the asset portfolio and the financial well-being of the Company. The improvement in the financial footing of the Company can be best confirmed by the complete restructuring of the balance sheet over the past 18 months, with assets sales and capital raisings facilitating debt levels to be reduced by approximately €75 million, leaving the Company completely debt free.”

“Aside from Barryroe, we and our partners are continuing with all the necessary preparations on the balance of our multi-basin drilling programme where a further five wells are planned in the programme. In April 2013, we announced the commencement of drilling operations at the ExxonMobil-operated Dunquin oil/gas prospect in the southern Porcupine Basin. This exploration well, which is one of the deepest wells ever drilled offshore Ireland, is testing a new play concept in the southern Porcupine Basin and will be keenly watched by the industry. Based on the forward plans, results from this well are expected later this summer.”

“Looking further ahead, we plan to drill two further appraisal projects - Spanish Point in the northern Porcupine Basin and Dragon in St George’s Channel Basin. Both fields are similar to Barryroe in that they have previously flowed hydrocarbons and they are now being re-examined availing of today’s new technology and pricing environment. Importantly, both fields have had extensive 3D seismic acquired over them and this will be very important for their upcoming appraisal drilling. Notably,

leading international independent, Cairn Energy, has just farmed in to the Spanish Point licences in advance of the upcoming drilling.”

“We also have a further two exploration prospects to be drilled in the Rathlin Basin (Polaris) and the Kish Bank Basin, offshore Dublin. Earlier this year, due to a technical licensing matter, we voluntarily surrendered our foreshore licence over the Kish Bank Basin to allow for new legislation to be put in place by the Irish government. As soon as the new legislation is put in place, we plan to re-apply for a foreshore licence.”

“We also continue to look at new exploration and appraisal opportunities for future drilling in other basins, such as Drombeg, in the Southern Porcupine Basin, which has already generated significant industry interest, and Newgrange, in the Goban Spur Basin, which is operated by Repsol. Importantly, all of the wells in our multi-basin drilling programme are what we term “pathfinder wells”: in other words, by testing any one petroleum play, we have the potential to prove up many adjacent prospects in each of the respective basins.”

“Partnership has always been a key part of Providence’s strategy, and we carry out our drilling programmes with an array of notable co-venture companies, including ExxonMobil, ENI, PETRONAS, Repsol, Chrysaor, First Oil Expro, Sosina, Lansdowne and Atlantic Petroleum and we are very pleased to welcome Cairn Energy Plc into our Spanish Point consortium, where they are taking a 38% equity stake and becoming Operator. All of these partners bring both technical capabilities and financial support, which allow us to move forward with our extensive programme of exploration and drilling activities offshore Ireland.”

“Providence has always believed in the material hydrocarbon prospectivity of offshore Ireland. As the only Irish independent E&P company actually drilling offshore Ireland, we were very pleased with the success at Barryroe, which has firmly validated this view. Furthermore, in addition to the operational success of the past year, Providence has also completely restructured its balance sheet over the last 18 months and is now entirely debt free. We therefore feel extremely well placed to capitalise on the positive momentum that we have built up in 2012, and to firmly embrace the advances in technology, infrastructure, the fiscal regime and higher oil prices in order to unlock the hydrocarbon potential offshore Ireland.”

**Tony O’Reilly**  
**Chief Executive**

**8<sup>th</sup> May 2013**

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**TERMS USED IN THIS ANNOUNCEMENT:**

CPR – Competent Person's Report

BBO – Billion Barrels of Oil

MMBO – Million Barrels of Oil

MMBOE - Million Barrels of Oil Equivalent

BCF – Billion Cubic Feet of Gas

BOPD – Barrels of Oil Per Day

BOEPD - Barrels of Oil Equivalent per Day

STOIIP – Stock Tank Original Oil in Place

MMSCFGD - Million Standard Cubic Feet of Gas per Day

**ABOUT PROVIDENCE**

Providence Resources Plc 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).

**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

## PROVIDENCE RESOURCES P.I.c.

Condensed consolidated income statement

For the year ended 31 December 2012

	Notes	Year ended 31 December 2012 Audited €'000	Year ended 31 December 2011 Audited €'000 (re-presented*)
<b>Revenue – continuing operations</b>	<b>1</b>	-	-
Administration expenses		(3,937)	(1,850)
Pre-licence expenditure		-	(117)
Loss on disposal of asset		-	(381)
Impairment of exploration, evaluation and production assets		(1,495)	(1,731)
<b>Operating loss</b>		<b>(5,432)</b>	<b>(4,079)</b>
Finance income		494	134
Finance expense	<b>3</b>	(3,295)	(5,151)
<b>Loss before income tax</b>		<b>(8,233)</b>	<b>(9,096)</b>
Income tax expense		-	-
<b>Loss for the year from continuing operations</b>		<b>(8,233)</b>	<b>(9,096)</b>
Loss from discontinued operations (net of income tax)	<b>2</b>	(15,950)	(4,844)
<b>Loss for the year</b>		<b>(24,183)</b>	<b>(13,940)</b>
<b>Loss per share (cent) – continuing operations</b>			
Basic loss per share	<b>8</b>	(13.51)	(19.45)
Diluted loss per share	<b>8</b>	(13.51)	(19.45)
<b>Loss per share (cent) – discontinued operations</b>			
Basic loss per share		(26.17)	(10.36)
Diluted loss per share		(26.17)	(10.36)
<b>Loss per share (cent) – total</b>			
Basic loss per share		(39.68)	(29.81)
Diluted loss per share		(39.68)	(29.81)

\*The comparative income statement has been re-presented as if the operations discontinued during the current year had been discontinued from the start of the comparative year.

## PROVIDENCE RESOURCES P.I.c.

Consolidated statement of comprehensive income

*For the year ended 31 December 2012*

	<b>Year ended 31 December 2012 Audited €'000</b>	<b>Year ended 31 December 2011 Audited €'000</b>
<b>Loss for the financial year</b>	<b>(24,183)</b>	<b>(13,940)</b>
Foreign exchange translation differences	(97)	(1,533)
Net change in fair value of cash flow hedges transferred to income statement	2,305	1,342
Cashflow hedges – net fair value loss	-	(2,449)
- related deferred tax	3,407	2,057
Total income and expense recognised in other comprehensive income	5,615	(583)
<b>Total comprehensive expense</b>	<b>(18,568)</b>	<b>(14,523)</b>

The total comprehensive expense for the period is entirely attributable to equity holders of the Company.



## PROVIDENCE RESOURCES P.I.c.

Consolidated statement of financial position

As at 31 December 2012

	Notes	31 December 2012 Audited €'000	31 December 2011 Audited €'000
<b>Assets</b>			
Exploration and evaluation assets	4	67,076	36,214
Development and production assets	5	-	46,159
Property, plant and equipment		42	32
Derivative instruments		-	5,111
Deferred tax		-	5,887
<b>Total non-current assets</b>		<b>67,118</b>	<b>93,403</b>
Trade and other receivables		4,005	6,626
Derivative instruments		-	513
Restricted cash		-	17,491
Cash and cash equivalents		16,831	18,563
Assets classified as held for sale		43,852	-
<b>Total currents assets</b>		<b>64,688</b>	<b>43,193</b>
<b>Total assets</b>		<b>131,806</b>	<b>136,596</b>
<b>Equity</b>			
Share capital	6	18,136	16,668
Capital conversion reserve fund		623	623
Share premium	6	209,975	130,548
Singleton revaluation reserve		2,471	2,650
Convertible bond – equity portion		-	2,333
Foreign currency translation reserve		(3,752)	(3,655)
Share based payment reserve		4,942	4,368
Warrant reserve		-	5,641
Cashflow hedge reserve		-	(2,305)
Retained deficit		(164,297)	(148,994)
<b>Total equity attributable to equity holders of the Company</b>		<b>68,098</b>	<b>7,877</b>
<b>Liabilities</b>			
Loans and borrowings	7	-	30,033
Decommissioning provision		4,738	5,165
Deferred tax		-	24,091
Derivative instruments		-	-
<b>Total non-current liabilities</b>		<b>4,738</b>	<b>59,289</b>
Trade and other payables		23,445	27,651
Loans and borrowings	7	-	33,447
Loans and borrowings – prepaid swap	7	-	8,332
Liabilities classified as held sale		35,525	-
<b>Total current liabilities</b>		<b>58,970</b>	<b>69,430</b>
<b>Total liabilities</b>		<b>63,708</b>	<b>128,719</b>
<b>Total equity and liabilities</b>		<b>131,806</b>	<b>136,596</b>

## PROVIDENCE RESOURCES P.I.c.

Consolidated statement of changes in Equity

For the year ended 31 December 2012

	Share Capital €'000	Capital Conversion Reserve Fund €'000	Share Premium €'000	Singleton Revaluation Reserve €'000	Foreign Currency Translation Reserve €'000	Share Based Payment Reserve €'000	Warrants €'000	Convertible Bond – equity portion €'000	Cashflow Hedge Reserve €'000	Retained Deficit €'000	Total €'000
<b>At 1 January 2011</b>	<b>15,058</b>	<b>623</b>	<b>86,918</b>	<b>2,919</b>	<b>(2,122)</b>	<b>3,537</b>	<b>5,641</b>	<b>2,944</b>	<b>(3,255)</b>	<b>(136,001)</b>	<b>(23,738)</b>
Loss for financial year	-	-	-	-	-	-	-	-	-	(13,940)	(13,940)
Currency translation	-	-	-	-	(1,533)	-	-	-	-	-	(1,533)
Cashflow hedge	-	-	-	-	-	-	-	-	950	-	950
Total comprehensive income	15,058	623	86,918	2,919	(3,655)	3,537	5,641	2,944	(2,305)	(149,941)	(38,261)
<i>Transactions with owners, recorded directly in equity</i>											
Shares issued in year	1,610	-	43,630	-	-	-	-	-	-	-	45,240
Share based payments	-	-	-	-	-	898	-	-	-	-	898
Share options forfeited in year	-	-	-	-	-	(67)	-	-	-	67	-
Transfer from Singleton revaluation reserve	-	-	-	(269)	-	-	-	-	-	269	-
Bond redemption	-	-	-	-	-	-	-	(611)	-	611	-
<b>At 31 December 2011</b>	<b>16,668</b>	<b>623</b>	<b>130,548</b>	<b>2,650</b>	<b>(3,655)</b>	<b>4,368</b>	<b>5,641</b>	<b>2,333</b>	<b>(2,305)</b>	<b>(148,994)</b>	<b>7,877</b>
<b>At 1 January 2012</b>	<b>16,668</b>	<b>623</b>	<b>130,548</b>	<b>2,650</b>	<b>(3,655)</b>	<b>4,368</b>	<b>5,641</b>	<b>2,333</b>	<b>(2,305)</b>	<b>(148,994)</b>	<b>7,877</b>
Loss for financial year	-	-	-	-	-	-	-	-	-	(24,183)	(24,183)
Currency translation	-	-	-	-	(97)	-	-	-	-	-	(97)
Cashflow hedge	-	-	-	-	-	-	-	-	2,305	-	2,305
Total comprehensive income	16,668	623	130,548	2,650	(3,752)	4,368	5,641	2,333	-	(173,177)	(14,098)
<i>Transactions with owners, recorded directly in equity</i>											
Shares issued in year	1,314	-	72,415	-	-	-	-	-	-	-	73,729
Share based payments	-	-	-	-	-	1,301	-	-	-	-	1,301
Share options exercised in year	14	-	252	-	-	(238)	-	-	-	238	266
Share options forfeited in year	-	-	-	-	-	(489)	-	-	-	489	-
Transfer from Singleton revaluation reserve	-	-	-	(179)	-	-	-	-	-	179	-
Exercise of warrants	140	-	6,760	-	-	-	(5,641)	-	-	5,641	6,900
Bond redemption	-	-	-	-	-	-	-	(2,333)	-	2,333	-
<b>At 31 December 2012</b>	<b>18,136</b>	<b>623</b>	<b>209,975</b>	<b>2,471</b>	<b>(3,752)</b>	<b>4,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(164,297)</b>	<b>68,098</b>

## PROVIDENCE RESOURCES P.I.c.

Consolidated statement of cash flows

For the year ended 31 December 2012

	Year ended 31 December 2012	Year ended 31 December 2011
	Audited	Audited
	€'000	€'000
<b>Cash flows from operating activities</b>		
Loss before income tax for year – continuing operations	(8,233)	(9,096)
Loss before income tax for the year – discontinued operations	(36,524)	(341)
	(44,757)	(9,437)
Adjustments for:		
Depletion and depreciation	2,755	2,634
Loss on disposal	-	381
Abandonment provision	34	-
Impairment of exploration and evaluation assets	1,495	1,731
Impairment of production and development assets	32,357	4,904
Finance income	(494)	(134)
Finance expense	16,369	5,378
Equity settled share based payment charge	1,247	898
Foreign exchange	(507)	2,307
Change in trade and other receivables	(3,782)	1,579
Change in restricted cash	16,581	(14,971)
Change in trade and other payables	(2,696)	18,811
Interest paid	(6,712)	(6,798)
Tax paid	-	-
Hedge repayments	(297)	(7,714)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>11,593</b>	<b>(431)</b>
<b>Cash flows from investing activities</b>		
Interest received	494	134
Acquisition of exploration and evaluation assets	(31,755)	(27,576)
Acquisition of development and production assets	(27,202)	(8,889)
Acquisition of property, plant and equipment	(38)	(38)
Disposal of development and production assets - AJE	4,610	7,759
Disposal of development and production assets - Triangle	-	10,475
<b>Net cash from investing activities</b>	<b>(53,891)</b>	<b>(18,135)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	84,797	47,662
Share capital issue costs	(3,902)	(2,422)
Repayment of loans and borrowings	(44,273)	(56,540)
Proceeds from drawdown of loans and borrowings	4,077	39,033
<b>Net cash from financing activities</b>	<b>40,699</b>	<b>27,733</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,599)</b>	<b>9,167</b>
<b>Cash and cash equivalents at 1 January</b>	<b>18,563</b>	<b>9,171</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(133)	225
<b>Cash and cash equivalents at 31 December</b>	<b>16,831</b>	<b>18,563</b>

# PROVIDENCE RESOURCES P.l.c.

## Note 1

### Segment Reporting

All revenue is generated from assets in the UK, and is included in discontinued operations.

	Year ended 31 December 2012	Year ended 31 December 2011
	<b>Audited</b>	<b>Audited</b>
	<b>€'000</b>	<b>€'000</b>
<b>Segment net loss for the period</b>		
Republic of Ireland – exploration assets	(1,495)	(1,848)
Africa – production and development assets	-	(422)
Corporate expenses	(3,937)	(1,809)
<b>Operating loss</b>	(5,432)	(4,079)
<b>Segment assets</b>		
UK – production and development assets– classified as held for sale	43,852	61,943
UK – exploration assets	933	-
Republic of Ireland – exploration assets	69,129	67,306
Africa - production and development assets	-	4,637
US	155	91
Group assets	17,737	2,619
<b>Total assets</b>	131,806	136,596
<b>Segment Liabilities</b>		
UK – production and development assets – classified as held for sale	(35,525)	(67,201)
Republic of Ireland – exploration	(27,183)	(23,747)
US	(252)	(1,343)
Group liabilities	(748)	(36,428)
<b>Total Liabilities</b>	(63,708)	(128,719)
<b>Capital Expenditure</b>		
UK – producing assets – classified as held for sale	27,202	7,927
UK – exploration assets	774	-
	27,976	7,927
Republic of Ireland – exploration assets	30,981	27,805
Property, plant and equipment	38	38
Africa – development and production assets	-	245
<b>Total Capital Expenditure</b>	<b>58,995</b>	<b>36,015</b>
<b>Depletion and decommissioning charge</b>		
UK – producing assets (discontinued operations)	2,727	2,505
Republic of Ireland – exploration assets	34	-
	2,761	2,505
<b>Impairment charge</b>		
Republic of Ireland – exploration assets	1,495	1,731
UK – development and production assets (discontinued operations)	32,357	4,904
	33,852	6,635

# PROVIDENCE RESOURCES P.I.c.

## Note 2

### Discontinued Operations

#### Held for sale assets and liabilities

#### UK disposal

<b>Assets</b>	<b>€'000</b>
Development and production assets	38,986
Derivative instruments	2,163
Trade and other receivables	1,793
Cash and cash equivalents	910
	43,852
<b>Liabilities</b>	
Loans and borrowings	31,725
Decommissioning provision	869
Deferred tax	1,421
Trade and other payables	1,510
	35,525

	<b>Year ended 31 December 2012</b>	<b>Year ended 31 December 2011</b>
	<b>Audited</b>	<b>Audited</b>
	<b>€'000</b>	<b>€'000</b>
<b>Results of discontinued operations</b>		
Revenue	15,642	13,752
Cost of sales	(5,455)	(4,055)
<b>Gross profit</b>	<b>10,187</b>	<b>9,697</b>
Administration expenses	(1,280)	(683)
Impairment of assets	(32,357)	(4,904)
<b>Results from operating activities – UK disposal</b>	<b>(23,450)</b>	<b>4,110</b>
Finance expense	(13,074)	(227)
<b>Results from operating activities before tax – UK disposal</b>	<b>(36,524)</b>	<b>3,883</b>
Income tax credit/(charge)	20,574	(4,503)
<b>Results from operating activities after tax – UK disposal</b>	<b>(15,950)</b>	<b>(620)</b>
US disposal (see below)	-	(4,224)
Total	(15,950)	(4,844)
<b>Cashflow from discontinued operations</b>		
Net cash from operating activities	9,726	794
Net cash from investing activities	(27,202)	(8,889)
Net cash from financing activities	(5,931)	35,113
<b>Net cash flows for the period</b>	<b>(23,407)</b>	<b>27,018</b>

## US disposal - 2011

	<b>€'000</b>
Expenses, being loss from operating activities	<b>(2,421)</b>
Loss on sale	<b>(1,803)</b>
	<b>(4,224)</b>

Related cash flows were

	<b>€'000</b>
Net cash from operating activities	<b>279</b>
Net cash from investing activities	<b>16</b>
	<b>295</b>

Earnings per share from discontinued operations

	<b>2012</b>	<b>2011</b>
	<b>€ cent</b>	<b>€ cent</b>
Basic loss per share	<b>(26.17)</b>	<b>(10.36)</b>
Diluted loss per share	<b>(26.17)</b>	<b>(10.36)</b>

## PROVIDENCE RESOURCES P.I.c.

### Note 3

#### Finance Expense

	Year ended 31 December 2012	Year ended 31 December 2011
	Audited	Audited
	€'000	€'000
Recognised in income statement:		
Interest expense on financial liabilities – measured at amortised cost	3,021	4,781
Unwinding of discount on decommissioning provision	274	370
<b>Total</b>	<b>3,295</b>	<b>5,151</b>
Recognised directly in other comprehensive income		
Foreign currency differences on foreign operations	(97)	(1,533)
Effective portion of change in fair value of cashflow hedge	-	(2,449)
Net change in fair value of cashflow hedge transferred to income statement	2,305	1,342
<b>Total finance expense</b>	<b>2,208</b>	<b>(2,640)</b>

## PROVIDENCE RESOURCES P.l.c.

### Note 4

#### Exploration and evaluation assets

	Republic of Ireland	UK	Africa	Total
	€'000	€'000	€'000	€'000
Cost and book value				
At 1 January 2011	10,140	-	-	10,140
Additions	32,972	-	-	32,972
Administration expenses	1,007	-	37	1,044
Cash calls received in year	(6,440)	-	-	(6,440)
Impairment charge	(1,731)	-	-	(1,731)
Increase in abandonment costs	266	-	-	266
Transfer to development and production assets	-	-	(37)	(37)
<b>At 31 December 2011</b>	<b>36,214</b>	<b>-</b>	<b>-</b>	<b>36,214</b>
At 31 December 2011	36,214	-	-	36,214
Additions	35,344	551	-	35,895
Cash calls received in year	(5,507)	-	-	(5,507)
Administration expenses	1,144	223	-	1,367
Impairment charge	(1,495)	-	-	(1,495)
Increase in abandonment costs	602	-	-	602
<b>At 31 December 2012</b>	<b>66,302</b>	<b>774</b>	<b>-</b>	<b>67,076</b>



# PROVIDENCE RESOURCES P.I.c.

## Note 5

### Development and production assets

	<b>UK</b>	<b>US</b>	<b>Africa</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Cost				
At 1 January 2011	52,995	26,806	12,436	92,237
Additions	7,590	-	208	7,798
Transfer from exploration and evaluation assets	-	-	37	37
Administration expenses	337	-	-	337
Disposed of in year	-	(26,806)	(12,681)	(39,487)
Exchange rate adjustment	911	-	-	911
<b>At 31 December 2011</b>	<b>61,833</b>	<b>-</b>	<b>-</b>	<b>61,833</b>
Additions	27,144	-	-	27,144
Administration expenses	58	-	-	58
Transfer to held for sale assets	(90,282)	-	-	(90,282)
Exchange rate adjustment	1,247	-	-	1,247
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depletion</b>				
At 1 January 2011	8,024	26,806	-	34,830
Charge for the year	2,505	-	-	2,505
Impairment of assets	4,904	-	-	4,904
Eliminated on disposal	-	(26,806)	-	(26,806)
Exchange rate adjustment	241	-	-	241
<b>At 31 December 2011</b>	<b>15,674</b>	<b>-</b>	<b>-</b>	<b>15,674</b>
Charge for the period	2,727	-	-	2,727
Impairment of assets	32,357	-	-	32,357
Transfer to held for sale assets	(51,296)	-	-	(51,296)
Exchange rate adjustment	538	-	-	538
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net book value				
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2011</b>	<b>46,159</b>	<b>-</b>	<b>-</b>	<b>46,159</b>

## PROVIDENCE RESOURCES P.l.c.

### Note 6

#### Share Capital and Share Premium

		Number	
		'000	€'000
<b>Authorised:</b>			
At 1 January and 31 December 2012			
Deferred shares of €0.011 each		1,062,442	11,687
Ordinary shares of €0.10 each		123,131	12,313
	Number	Share Capital	Share Premium
<b>Issued:</b>	000's	€'000	€'000
Deferred shares of €0.011 each	1,062,442	11,687	5,691
Ordinary share of €0.10 each	33,712	3,371	81,227
At 1 January 2011	33,712	15,058	86,918
Ordinary shares issued	16,097	1,610	46,052
Share issue costs	-	-	(2,422)
<b>At 31 December 2011</b>	<b>49,809</b>	<b>16,668</b>	<b>130,548</b>
Ordinary share issued	13,149	1,314	76,317
Share issue costs	-	-	(3,902)
Share options exercised in year	140	14	252
Warrants exercised in year	1,400	140	6,760
<b>At 31 December 2012</b>	<b>64,498</b>	<b>18,136</b>	<b>209,975</b>



# PROVIDENCE RESOURCES P.I.c.

## Note 8

### Earnings per share

	31 December 2012	31 December 2011
	Audited	Audited
Loss attributable to equity holders of the company from continuing operations (€'000)	(8,233)	(9,096)
The basic weighted average number of ordinary shares in issue		
In issue at beginning of year ('000s)	49,809	33,712
Adjustment for shares issued in year ('000s)	11,145	13,054
Weighted average number of ordinary shares ('000s)	60,953	46,766
<b>Basic loss per share (cent) – continuing operations</b>	<b>(13.51)</b>	<b>(19.45)</b>
<b>Diluted loss per share (cent) – continuing operations</b>	<b>(13.51)</b>	<b>(19.45)</b>

There is no difference between the loss per ordinary share and the diluted loss per ordinary share for the current period as all potentially dilutive ordinary shares outstanding are anti-dilutive.

## **PROVIDENCE RESOURCES P.I.c.**

### **Note 9**

#### **Related party transactions**

- (a) Mr. Tony O'Reilly Jnr, has, through Kildare Consulting Limited, a company beneficially owned by him, a contract for the provision of service to the company outside the Republic of Ireland effective 1 September 2011. The amount paid under the contract in the year ended 31 December 2012 was €650,250. The contract is of two years duration and is subject to one year's notice period.

## **PROVIDENCE RESOURCES P.I.c.**

### **Note 10**

#### **Commitments**

The Group has capital commitments of approximately €13.5m to contribute to its share of costs of exploration and evaluation activities during 2013.