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ULYSSES PROJECT CONFIRMS POTENTIAL SITE FOR NATURAL GAS SALT CAVERN STORAGE PROJECT IN THE KISH BANK BASIN, OFFSHORE IRELAND

Providence Resources P.l.c. , ('Providence'), through its wholly owned subsidiary EIRGAS Limited, (EIRGAS'), is pleased to provide an update on its gas storage evaluation activities in the Kish Bank Basin, offshore eastern Ireland (the ULYSSES Study) where it has a 50/50 joint venture with Star Energy Group (a wholly owned subsidiary of PETRONAS, the state oil company of Malaysia).

ULYSSES STUDY

First announced in August 2008, the ULYSSES Study covered the northern and western sectors of the shallow water Kish Bank Basin and was focused on assessing the gas storage and carbon sequestration potential of the basin. These studies have now confirmed a site which may be suitable for offshore natural gas salt cavern development, similar to those recently proposed for development in the Lough Larne area of Northern Ireland. In addition, further geotechnical studies recently completed have confirmed published figures that the basin could host an effective carbon storage capacity of c. 270 million tonnes.

Speaking today, Tony O'Reilly, Chief Executive of Providence, said:

"We are delighted to confirm that our ongoing analysis of the Kish Bank Basin has revealed several notable geological structures that warrant further investigation. Through the ULYSSES study, the Kish Bank Basin has confirmed our earlier view that its geology could be suitable for potential natural gas salt cavern storage and carbon sequestration projects. Given the location of this basin, close to the city of Dublin, we believe that any potential gas storage development in the basin will be highly competitive given its geographic proximity."

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Notes to Editors

About Providence

Providence Resources Plc is an independent oil and gas exploration company listed on the AIM market in London and on Dublin's IEX market. 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 all press releases, annual reports and interim reports are available from Providence's website at www.providenceresources.com.

About EIRGAS Limited

EIRGAS Limited is a SPV (special purpose vehicle) established by Providence to invest in gas storage and CCS opportunities offshore Ireland and the United Kingdom. EIRGAS is currently owned 100% by Providence.

About Star Energy Group

Star Energy Group is an energy company with a primary focus on gas storage development. Founded in 1999, Star Energy is the UK's second largest onshore oil producer and one of the main developers of underground gas storage using depleted oil and gas reservoirs. Star Energy employs over 150 people and has a turnover in excess of £50 million per annum. In early 2008, Petronas International Corporation Limited, a subsidiary of Petronas, acquired 100% of Star Energy. Petronas, wholly-owned by the Malaysian government, is a fully-integrated oil and gas corporation and is ranked among FORTUNE Global 500's largest corporations in the world

About the ULYSSES Project

The **Undersea Large-scale Saline Sequestration and Enhanced Storage** (or ULYSSES) Project was designed to assess the potential use of Triassic aged saline sandstone reservoir sequences as possible sites for carbon sequestration. The presence of saline reservoirs which are located c. 1.5 km below the seabed together with overlying sealing shale has been demonstrated in a number of oil and gas exploration wells which have been drilled in the Kish Bank Basin over the past c. 30 years. The project area is located approximately 20 km offshore Dublin.

A similar offshore saline reservoir CO₂ sequestration project known as Sleipner has been successfully operated in the Norwegian North Sea by StatoilHydro since 1996. This project was designed to offset carbon tax liabilities estimated to be c. US\$50 million/year. StatoilHydro reported in April 2008 that it had already sequestered 10 million tonnes of carbon dioxide since project start-up. Other partners in the Sleipner Project include ExxonMobil and Total.

Kinsale Energy Limited (a subsidiary of PETRONAS) operates Ireland's only gas storage facility at the SW Kinsale Head field, offshore Cork. This facility, which has been operational since 2001, has a storage capacity of 8 BSCF. The Irish Governmental Green Paper on Energy recommends that Ireland should have at least 3 months of reserve/storage capacity which equates to c. 45 BSCF.

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.

Location Map

