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PROVIDENCE AGREES FARM OUT WITH NAUTICAL ON NEMO OIL DISCOVERY, OFFSHORE IRELAND

- **NORTH SEA HEAVY OIL SPECIALIST NAUTICAL PETROLEUM TO ACQUIRE 25% INTEREST FOR CARRYING OUT DEVELOPMENT FEASIBILITY WORK PROGRAMME ON NEMO OIL DISCOVERY**
- **NAUTICAL HAS OPTION TO ACQUIRE ADDITIONAL 40% INTEREST AND OPERATORSHIP SHOULD IT ELECT BY THE END OF 2011 TO DRILL AN APPRAISAL WELL**

Providence Resources P.l.c., (“Providence”) the Irish oil and gas exploration and production company, whose shares are listed in London (AIM) and Dublin (ESM), is pleased to announce that Providence and its’ licence partners have agreed to farm down up to a 65% equity interest in the Nemo heavy oil discovery to Nautical Petroleum plc (“Nautical”). The Nemo heavy oil accumulation underlies the Ardmore gas accumulation in Standard Exploration License 2/07 and is situated some c. 60 kilometers offshore Ireland in the North Celtic Sea Basin in c. 90 metre water depth. Discovered in 1974, this c.16° API heavy oil accumulation is estimated to have an in-place resource potential of up to c. 230 MMBO.

In return for an initial 25% stake, Nautical will fund and carry out a focused work programme on the development feasibility of the Nemo discovery. Nautical has an option to increase its stake up to 65% and assume operatorship should it elect by the end of 2011 to drill an appraisal well on Nemo. Providence currently holds an operated 72.5% interest in Nemo with partners Atlantic Petroleum (18.3%) and Sosina Exploration (9.2%). In the event that Nautical exercises its option and drills a well, the participating interests would be Nautical (65%), Providence (25.3%), Atlantic Petroleum (6.4%) and Sosina Exploration (3.2%). The farm-out transaction is subject to Irish governmental approval.

Nautical is currently involved in a number of similar heavy oil field developments in the UK North Sea including the Kraken discovery, which it operates, and Mariner, which is operated by Statoil. In April, Nautical farmed into the Baltimore heavy oil discovery, in the Celtic Sea, offshore Ireland where a development feasibility study is ongoing. Last week, Providence and Nautical announced that as part of their ongoing Baltimore study, a new significant gas prospect, Marlin, had been identified in the area and that they had been granted an extension in the license option area by the Minister for Communications, Energy and Natural Resources.

Tony O’Reilly, Providence’s Chief Executive, stated “We are very pleased to be collaborating with a company like Nautical that has significant heavy oil expertise that will help unlock the potential of the Nemo discovery and other heavy oil discoveries in the Celtic Sea.”

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Notes to Editors:**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. Through a 100% owned subsidiary, EXOLA Limited, the company is engaged in the evaluation and potential development of unconventional oil fields. Further information on Providence and its oil and gas portfolio, including Annual Reports are available from Providence's website at www.providenceresources.com.

About Nautical Petroleum

Nautical Petroleum plc is developing significant heavy oil resources in the United Kingdom Continental Shelf (UKCS) and in Europe. They hold an interest in the Kraken discovery and are a partner in the Statoil operated Mariner discovery. In addition, they hold significant equity interests in number of exploration and appraisal blocks in the UKCS and France. Their aim is to secure further heavy oil discoveries in the UKCS and EU through acquisitions, farm-ins and licensing rounds. More information on Nautical can be found on www.nauticalpetroleum.com

About Nemo

The Nemo heavy oil accumulation underlies the Ardmore gas accumulation and was drilled by Marathon Oil in 1974 on a Lower Cretaceous structure on trend with the Kinsale Head gas field. The well encountered a number of stacked oil and gas bearing reservoir sands of Lower Cretaceous age which are similar to those producing at the nearby Kinsale Head field. Drill stem testing flowed gas at a cumulative rate of c. 8 MMSCFGD whilst the oil recovered was a heavy crude (c. 16° API). Providence recently acquired a pseudo 3D seismic survey over the area has carried out an initial evaluation of the resource potential of the Nemo discovery which suggests an in-place resource potential of up to c. 230 MMBO.

About Heavy/Unconventional Oil

Heavy oil is crude oil which does not flow easily as its density or specific gravity is higher than that of light/conventional oils. Heavy crude oil is defined as any liquid petroleum with an API gravity of less than 20° which is mostly the result of the oil being derived from an early mature source rock or else due to subsequent effects of bacteria, water or air on light oil which result in the loss of the lighter fractions. Heavy oil has received renewed interest due to the recent increases in oil price as it provides a potential significant source of new global oil reserves.

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. Definitions in this press release are consistent with SPE guidelines.