21 May 2009

PROVIDENCE RESOURCES P.l.c.

(“Providence” or the “Company”)

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

Financial

- **Revenue up 473% to €24.81 million**
- **EBITDA up 20 fold to €14.93 million**
- **Net cash inflow from operations up 44% to €12.24 million**
- **Attractive oil and gas price hedges put in place**
- **Impairment of assets charge of €49.74 million**
- **Raised €42 million Convertible Bond**

Operational

- **Target of 2,000 BOEPD achieved by July 2008, ahead of schedule**
- **Diverse portfolio of oil and gas assets across UK, Ireland, US and Nigeria**
- **Gulf of Mexico: Galveston A-155 gas discovery**
- **Gulf of Mexico: Acquisition of Triangle’s oil and gas assets (“Triangle”)**
- **OML 113, Offshore Nigeria: Successful AJE-4 appraisal well**
- **Dunquin, Porcupine Basin: ExxonMobil becomes Operator**
- **Drombeg, Porcupine Basin: 13 Block licence awarded**
- **Spanish Point, Porcupine Basin: Chrysaor farm-in completed**
- **Kish Bank Basin: Awarded new Licensing Option with Star/PETRONAS**
- **Kish Bank Basin; Commenced ULYSSES Project**

Momentum 2009

- **On target for 3,000 BOEPD before end 2009**
- **Spanish Point, Porcupine Basin: Contract awarded for 2009 3D acquisition**
- **Singleton, Onshore UK: Successful production at new well, plus increased oil production resulting in overall daily oil production increase of 50%**
- **OML 113, Offshore Nigeria: Commerciality of AJE Field declared**
- **Dragon Field area, St George’s Channel Basin: Additional acreage awarded**
- **Gulf of Mexico: Major programme to increase production levels in Q3 2009**
- **Gas storage and carbon sequestration, offshore Ireland: Evaluation underway**
- **Rockall Licensing Round: Applied for Frontier Exploration Licence**

Commenting on today's results, Tony O'Reilly, Chief Executive of Providence Resources P.l.c. said:

"I am pleased to report that the Company has delivered a strong financial performance in what has been an extremely challenging period for the global economy, and in the oil and gas industry in particular. Specifically, your Company reported revenue for the period up over 400%, with earnings before interest tax, depreciation and amortisation ("EBITDA") up over 20 times to €14.93 million versus €0.72 million in 2007. Net cash inflow from operations was up 44% to €12.24 million. We achieved our stated production target with production levels rising four-fold to over 2,000 BOEPD immediately following the acquisition of Triangle. This acquisition permitted us to enter into very attractive oil and gas hedges, which helped to insulate us from the sharp drop in oil and gas prices in the last four months of 2008. The Company also successfully raised €42 million through a convertible bond.

"During the period under review, the Company drilled a number of successful development wells (at AJE in Nigeria and at Galveston A-155 in the Gulf of Mexico), whilst ExxonMobil, the world's largest non-government oil and gas company, became Operator of the Dunquin licence area and a new licence was awarded in respect of the Drombeg Prospect in the South Porcupine Basin. The Company was also able to secure the development focused company, Chrysaor, as a new partner in the Spanish Point Project. We were very pleased to welcome Star Energy and its parent company, PETRONAS, the $66 billion a year Malaysian oil giant, to Ireland and together, we obtained a Licensing Option in the Kish Bank Basin (offshore Dublin). In the U.K., in conjunction with Northern Petroleum, we were awarded licence acreage adjacent to Singleton, containing the Baxter's Copse oil discovery and Burton Down exploration prospect.

"As a result of the unprecedented collapse in oil and gas prices in the last four months of 2008, the sub economic results from the Celtic Sea drilling programme, lost production caused by hurricanes Gustav and Ike, and an overall general tightening of the credit market, your Company immediately moved to ensure that its cost base was appropriate for these challenging times. Accordingly, at year end, the Company took a decision to revalue certain assets downwards by way of a once off impairment charge. This non-cash charge of €49.743 million resulted in an exceptional loss of €51.193 million. Stripping out the impairment charge (which is non-cash), the Company would have delivered an operating profit of €7.532 million.

"Entering 2009 with a very much lower cost base, the Company focused on optimising production with the drilling of the Singleton SNX-10 well and the re-instatement of production in the Gulf of Mexico, as well as advancing development assets (such as AJE) whilst priming other assets for future drilling. The current and planned production increases (approximating an aggregate 1,000 BOEPD + from both Singleton and assets in the Gulf of Mexico) should serve us very well for the balance of the year as we advance towards 3,000 BOEPD.

"Your Company has a very clear strategy which it has been following consistently for the past four years. With our extensive portfolio of assets, together with our focus on costs and with the exciting future opportunities before us, we view the future with great optimism and confidence."

Tony O'Reilly
Chief Executive **May 21, 2009**

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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 IEX market. The Company was founded in 1997, but with roots going back to 1981 when it 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, 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 19 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.

Glossary of terms used

ALL FIGURES QUOTED ARE GROSS FIGURES, UNLESS OTHERWISE STATED

BOPD	Barrels of Oil per Day
MMSCFGD	Million Standard Cubic Feet of Gas per Day
MMBO	Millions of Barrels of Oil
BOEPD	Barrels of Oil Equivalent per Day
BOE	Barrels of Oil Equivalent (1 BOE = 6,000 SCFG)
BSCF	Billion Standard Cubic Feet of Gas

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

FINANCIAL HIGHLIGHTS

- **Financial Results Year End 2008**
- **Convertible Bond**
- **Macquarie Warrants**

Financial Results Year End 2008
Revenues for the 12 months were €24.814 million compared to €4.333 million in 2007 reflecting the full year contribution from Singleton, 9 months contribution from Triangle and realised average oil and gas prices of $111.07 and $10.13 respectively compared to $80.57 and $6.87 in 2007. The oil and gas prices used include the benefit of the hedges put in place, as the average oil (basis Brent) and gas price (basis Henry Hub) for 2008 was $98.52 and $8.899, respectively. EBITDA was €14.930 million compared to €0.716 million in 2007.

This year's results include an exceptional (non cash) write-off of €49.743 million for the Impairment of Assets. The largest component of this was the impairment of the Celtic Sea assets, arising from the results of the summer drilling programme. Whilst these assets do have potential, with the pricing environment at year end, it was considered prudent to take this impairment charge. The result of this impairment charge was an operating loss of €42.211 million, compared to an operating profit of €5.185 million in 2007. Stripping out the impairment charge (which is non-cash), the Company would have delivered an operating profit of €7.532 million.

Net financial expense was €7.807 million compared to €3.696 million in 2007 as a result of the €42 million convertible loan facility and $67.5 million (drawn from Macquarie) used to acquire Triangle. Netting off the finance expense results in a loss before tax of €50.018 million compared to a profit before tax of €1.489 million in 2007 with fully diluted after tax EPS of a loss of 2.06 cents compared to a profit of 0.02 cents in 2007.

The Balance Sheet reflects the significant impairment charge with Total Assets of €139.712 million (€80.435 million in 2007) after being adjusted downwards by €49.743 million. Cash at bank was €9.664 million, reflecting the residual cash at year end. Provisions for abandonment increased from €1.113 million to €4.762 million reflecting additional acreage acquired through the Triangle acquisition. Importantly, at a time when cash management is our key focus, net cash inflow from Operations of €12.242 million showed a substantial increase over the €8.485 million generated in 2007, largely as a result of the production income from Singleton and Triangle, thereby confirming the cash generating capacity of the Company.

Convertible Bond
In July 2008, the Company announced the placing of convertible bonds (the "Bonds") with institutional investors to raise €42 million before expenses. The funds raised from the Bonds issue were used primarily to fund the drilling of Hook Head and Dunmore. The Bonds, denominated in units of €100,000 each, carry interest of 12% per annum, payable semi-

annually in arrears, and mature on 29 July 2012, at which time all outstanding Bonds will be redeemed, on the basis of repayment of the principal value of the Bonds, plus all accrued and unpaid interest. At the election of the holder of a Bond, the Bonds are convertible into ordinary shares of nominal value €0.001 each in the Company at a conversion price of €0.10 per Ordinary Share at any time on or after 29 September 2008.

Macquarie Warrants
As part of the financing for Triangle, Providence agreed to issue 10 million ordinary shares to Macquarie Bank Limited ("Macquarie") and to grant Macquarie warrants to purchase an additional 40 million new ordinary shares in the Company at a subscription price of 12 cents per share (the "Macquarie Warrants"). In the context of ongoing provision by Macquarie of significant financial backing to Providence through the $250 million Revolving Credit Facility, certain amendments were made to the warrants with the Company adjusting the subscription price of the Macquarie Warrants to 6 cents per share, with effect from today's date. These terms supersede, and are not additional to, the warrant terms announced last May 2008.

OPERATIONAL HIGHLIGHTS - PRODUCTION

Onshore UK

- **Singleton – In-place resources increase by 50% to 107 MMBO**
- **Singleton – Successful Drilling of SNX 10**
- **New Licence Award – PEDL233**

Singleton - In-place resources increase by 50% (99.125% Interest)
During 2008, the Company commissioned a number of studies as part of the planned redevelopment for enhanced production of the Singleton Field which included static deterministic resource modeling carried out by RPS Energy. The main aim of this modeling was to understand the detailed distribution of oil within the field and to highlight any areas which may be currently bypassed by the existing wells. The results of the study suggested a revised oil in-place resource of up to c. 107 MMBO, a 50% increase over previous estimates.

Since production commenced in 1986, the field has produced c. 3.7 MMBO, which represents a recovery factor to date of c. 3.5%. Published data from similar fields in the area suggest an ultimate recovery factor of up to c. 10% should be achievable which means there is up to c. 7 MMBO of potential remaining reserves. Accordingly, the Company finalised a re-development plan at the Singleton Field to increase production by way of drilling of new wells and the optimization of existing wells. The short term objective is to double oil production to 1,000 BOPD.

The first stage of the redevelopment of the Singleton Field in 2009 was the drilling of the SNX10 development well, which targeted a number of areas highlighted in the pre-drill modeling. During 2009, several well stimulation programmes are planned for the existing wells together with facilities upgrades and the implementation of the CNG (Compressed Natural Gas) Programme to capture and monetise the equivalent of up to 200 BOEPD of gas that is currently being flared.

Singleton - Successful Drilling of SNX 10 (99.125% Interest)
Having successfully drilled the SNX10 development well to a total measured depth of 13,001 ft in March 2009, the well was brought on to production in May 2009 at rates of 250 BOPD, considerably ahead of the pre-drill estimate of 150 BOPD. Total Singleton field production is now c. 750 BOPD, or c. 950 BOEPD when the associated gas production is included. A review of the data supports the revised Singleton reservoir model which was used to locate the SNX10 well and is included in the Singleton Field redevelopment programme. This model has also revealed a significant number of other projects that could further enhance both the production rates and ultimate reserve potential of the Singleton Field. Providence has already high-graded a number of these projects with a view to execution later in 2009. In addition, drilling and completion technologies such as geo-steering, bespoke concentric jet pump completion design and acid stimulation were instrumental in the SNX10 success and will now become integral tools in the next steps in the re-development of the Singleton Field.

New Licence Award – PEDL233 (50% Interest)
In May 2008, the Company and Northern Petroleum Plc were awarded PEDL233 under the UK 's 13th Landward Licensing Round. Providence and Northern, who are 50/50 partners, have identified a number of exploration and development opportunities within the block, principally the Baxter's Copse oil discovery and the Burton Down exploration prospect. Providence acts as the Operator for the group.

Gulf of Mexico

- **Acquisition of Triangle Oil and Gas Portfolio**
- **Gas Discovery at Galveston A 155**
- **2009 2nd Half Outline Plans**
  - **Enhancing Production Rates & Evaluating Drilling Opportunities**
  - **Re-instating Production Impacted by Hurricanes**

Acquisition of Triangle Oil and Gas Portfolio (100% Interest)
The Company acquired a portfolio of producing and development assets in the US Gulf of Mexico from Triangle Oil and Gas Inc., a private company based in Lafayette, Louisiana, for a total consideration of US$67.5 million. The portfolio of assets acquired represented all of Triangle's material hydrocarbon assets and the portfolio in the Gulf of Mexico now comprises interests in 9 producing oil and gas fields, 2 development assets and extensive exploration opportunities. At acquisition, net production stood at circa 6 MMSCFGD and 300 BOPD (~1,300 BOEPD) net to Providence. A key driver for the Triangle acquisition was the number of undeveloped discoveries as well as exploration opportunities within the portfolio.

Galveston A 155 (10.8% Interest)
During 2008, Providence and its partners made a gas discovery on Galveston Island A-155. This discovery, which has an estimated associated reserve potential of c. 20 BSCF, is located c. 100 kilometers off the US coast. The field was to have undergone a fast-track development via nearby existing infrastructure; however, last years' hurricanes delayed production start up by several months with first gas now expected during June 2009 at initial rates of up to c. 200 BOEPD net to Providence. Installation of the production platform was performed in January 2009 and the wellbore completion was carried out during April 2009. A production flow-line is currently being laid to connect the platform to the nearby gas export infrastructure to facilitate the anticipated June start-up.

2009 2nd Half Outline Plans

Enhancing Production Rates & Evaluating Drilling Opportunities
At Vermillion 60, a significant re-completion program has been agreed for Q2 to produce from a new zone that should see Providence's net production increase from 25 BOEPD to some 300 BOEPD. This work is expected to take place imminently. At Main Pass 19, a work-over was performed on a well in the field during Q1 to allow the well to produce at higher oil rates. The result was that gross oil production from this well increased from a production rate of c. 5 BOPD to an initial stabilised rate of c. 140 BOPD. In addition to work programmes at its existing producing assets, the Company has a number of drilling opportunities which are currently being examined for potential activity later this year depending on partner agreement and rig availability/rates.

Re-instating Production Impacted by Hurricanes
The Company has a targeted programme to increase production rates from its portfolio in the Gulf of Mexico. These developments will not only reinstate lost production, but will also lead to a meaningful increase in daily production rates, with production rising by an estimated 900 BOEPD net to Providence by mid Q3, 2009. The Company is also reviewing a number of new drilling opportunities in the region, which could see the Company taking advantage of the recent reduction in offshore rig rates.

Hurricanes Gustav and Ike seriously impacted production in the area, including Providence's production from its Ship Shoal 253 and High Island A-268 fields in addition to delaying the start-up of the new Galveston A-155 gas field by around six months. The cumulative impact from this lost/deferred production is estimated at approximately 500 BOEPD net to Providence.

At Ship Shoal 253, repairs to third party export pipelines have taken longer than planned and it is expected that production will now re-commence in mid Q3 at a rate of 250 BOEPD net to Providence. At High Island A-268, production re-commenced in Q1 following the re-instatement of the main third party gas export line that was damaged.

OPERATIONAL HIGHLIGHTS - DEVELOPMENT/APPRAISAL

- **Spanish Point, Porcupine Basin**
- **AJE Field, Offshore Nigeria**
- **North Celtic Sea Basin**
- **St George's Channel Basin**

Spanish Point– Porcupine Basin, Ireland (56% Interest)

- **Additional Acreage awarded under Porcupine Licensing Round**
- **Farm out to Chrysaor**
- **3-D Seismic programme awarded to Bergon Oil Field Services**

In March 2008, Providence was awarded a new licence area over four blocks adjacent to its Spanish Point acreage under the 2007 Irish Frontier Licensing Round.

In August, Providence and its partner, Sosina Exploration Ltd, announced that they had signed a staged farm-out agreement with Chrysaor Holdings Limited, a privately owned development led company, on its Spanish Point discovery, in the Porcupine Basin, off the west coast of Ireland.

The terms of the farm-out agreement provide for Chrysaor to conduct a significant appraisal work programme on the Spanish Point discovery in return for a minimum 30% interest in Spanish Point. Chrysaor then has the option to earn up to a maximum 70% interest in the event that two wells are subsequently drilled on Spanish Point. The agreement is subject to certain milestones being achieved with an initial commitment by Chrysaor to fund the budgeted cost of a 3-D seismic programme on Spanish Point as consideration for the initial 30% interest. Providence will act as Operator for the upcoming 3-D seismic survey which has been awarded to Bergen Oil Services and is planned to take place in June.

Dependent on the results of the 3-D seismic programme, Chrysaor may then undertake to finance the drilling of up to two appraisal wells where it will commit not less than 60% cost share, whilst also capping the other partners' cost share, to earn an additional interest of up to 40%, thereby reducing the other partners' stakes pro rata. The acquisition of a 3-D seismic survey over Spanish Point is vital in order to further enhance the detailed understanding of the reservoir, as well as to optimise potential future well placement. The survey has also been designed to accommodate future time lapse 4-D seismic reservoir monitoring, which has been demonstrated to be particularly effective in monitoring fluid movement during field production.

AJE Field, Offshore Nigeria (5.0% Interest)

- **AJE-4 well successfully appraises NE Sector of Field**
- **Five hydrocarbon bearing intervals confirmed**
- **AJE development deemed to be commercially viable**

In April 2008, the Company announced that the AJE-4 well had encountered Cretaceous aged hydrocarbon bearing section, specifically a gas condensate and oil bearing Turonian reservoir with oil bearing Cenomanian intervals. Five hydrocarbon bearing zones were logged with gross pay of c. 690 feet.

The AJE-4 well was designed to evaluate two objectives. The first was to test the lateral extent of the Upper Cretaceous oil and gas bearing reservoirs, which had been successfully tested in AJE 1 & 2 wells, thereby allowing the partners to assess the full extent of the AJE field. The second objective of the AJE-4 well was to evaluate additional deeper exploration targets, particularly the Albian, which lies beneath the AJE field. The AJE-4 well successfully encountered hydrocarbon bearing sections in both primary and secondary objectives and was suspended for possible re-use in the future development of the field.

Following further post well analysis, in February 2009, Providence confirmed that the AJE Field has been deemed a commercial discovery by the partners Operating Committee. Accordingly, the partners in the AJE Field authorised Chevron, as Technical Advisor to the Operator, to prepare a Development Plan for the AJE Field. This is presently ongoing. In addition, the partners continue to evaluate a number of exploration targets contained within OML 113.

North Celtic Sea Basin (53.2% Interest)

- **Hook Head**
- **Dunmore**

Hook Head
In August, Providence and its partners commenced a multi-well drilling programme in the Celtic Sea. The Hook Head appraisal well (50/11-4) was drilled on the north-west flank of the Hook Head structure using the Transocean semi-submersible GSF Arctic II rig and was spudded on August 5th, 2008. The well was successfully drilled to a total depth of 4,875 feet true vertical depth subsea. All geological horizons in the target Wealden were within the pre-drill depth prognosis and oil and gas shows were encountered whilst drilling. Whilst the primary objective was not hydrocarbon bearing, the well did encounter a gross 200' foot gas column in an overlying section. Reservoir quality was excellent with average porosities of c. 27%. This well constitutes the fourth well to be drilled on the Hook Head structure, all of which have logged hydrocarbons.

However, given that the hydrocarbon bearing intervals in the 50/11-4 well appeared to be primarily gas bearing and below that which was expected in the pre-drill estimates, the Company and its partners took the decision to plug and abandon the well. The well results suggest that the majority of the Hook Head oil resource lies in the central part of the structure already demonstrated by the 50/11-1 and 50/11-3 wells, however, the north-west flank could potentially provide additional incremental gas resources for any future development in the area. The 50/11-4 well results are currently being integrated into the Hook Head full field model and this will help to define the forward plans for the accumulation.

Dunmore
In September, the Company and partners drilled the 50/6-4 Dunmore appraisal well, located some 40 kilometers off the south coast of Ireland. The well was designed to appraise Jurassic aged sandstone reservoir intervals which were tested as oil bearing in the 50/6-1 discovery well. The 50/6-4 well was drilled using the Transocean GSF Arctic II semi submersible drilling rig and reached a total depth of 5,214 ft measured depth below rotary table. The primary Jurassic sandstone reservoir interval was encountered within the pre-drill depth prognosis, but the gross reservoir interval was thinner than had been expected and sandstones present were determined to be water bearing based on well log data.

A new hydrocarbon bearing Jurassic carbonate reservoir zone was encountered, which had not been anticipated prior to drilling. This reservoir has a c. 20 ft gross thickness and porosities of up to 23%. The reservoir zone exhibited good oil and gas shows whilst drilling, with a hydrocarbon down to the base and is located within a c. 400 ft thick interval of gas bearing shales. Given that this new play type may have future potential, the partners elected to suspend the well and demobilise the rig since operational timing, equipment availability, and cost constraints precluded the deployment of the required specialist testing equipment.

The partnership is now focusing on integrating the results of the Dunmore well, in particular on the new Jurassic carbonate play potential. Forward programmes could include the deployment of specialist testing equipment to obtain hydrocarbon samples and to evaluate the productive potential of this interval.

St George's Channel Basin (100% Interest)
- **SEL 1/07 Licence area expanded**
- **Revised licence extent also includes mapped extension of Dragon Gas field**

In March 2009, the Company announced that it had been granted an increase in the area extent of its 100% operated Standard Exploration Licence (SEL) 1/07 in the St George's Channel Basin, offshore south-east Ireland by the Department of Communications, Energy and Natural Resources. This revised licence authorisation contains the mapped extension into Irish waters of Marathon's proven UK Dragon gas field, which was discovered in 1994. Published public data on this field confirms a resource base of c. 80 BSCF within the existing tested reservoir zones. Providence's mapping of the Dragon Field indicates that c. 25% of the field extends into SEL 1/07 and that there is potential for deeper hydrocarbon bearing intervals beneath the field, which were not drilled with the original discovery well. The expansion of the licence area has been designed to capture this additional "Orpheus" exploration prospect, which may be targeted as part of any future appraisal/development well programme on the overlying Dragon Field. The Dragon Field lies approximately 60 kilometers from Milford Haven in South Wales where two new LNG facilities have recently been commissioned.

OPERATIONAL HIGHLIGHTS – EXPLORATION
- **Dunquin, Porcupine Basin**
- **Newgrange, Goban Spur Basin**
- **Drombeg, Porcupine Basin**
- **Rockall Licensing Round**

Dunquin, Porcupine Basin (16% Interest)
- **ExxonMobil takes over Operatorship**

In March 2008, the Company announced that ExxonMobil, would assume Operatorship from Providence of the Dunquin Prospect in the Porcupine Basin, off the west coast of Ireland as of 31 March 2008. Providence had been Operator of this licence area since it was awarded in November 2004. Additionally, ExxonMobil advised of their intention to farm out a portion of their equity of Dunquin. This process is ongoing.

Newgrange, Goban Spur Basin (16% Interest)
- **Farm out campaign launched**

The Newgrange Licence Option is 150 km south of the Dunquin Prospect, covering an area in excess of 4,000 sq. km. This Licensing Option is operated by Providence. Seismic interpretation was carried out by the partnership following the licensing of 500 km of long offset 2-D seismic data that was carried out over this 15 block area during the summer of 2006. An existing database of c. 5,500 line kilometres of vintage 2-D seismic data, together with potential field data, have been integrated with the new data to provide an overall assessment of the prospectivity of the area.

The Company, together with its partners ExxonMobil and Sosina, recently agreed to relinquish six blocks on the south side of the option area in order to focus on the Newgrange Prospect, which is a large four way dip closed prospect extending over a c. 1,000 sq km area.

Mean recoverable prospective resource potential for the Newgrange Prospect is c. 10 TSCF. A farm out campaign has just commenced for the Newgrange Prospect.

Drombeg, Porcupine Basin (16% Interest)
In March 2008, the Company announced that it has been awarded 13 new blocks with its Dunquin Prospect partners, ExxonMobil (80%) and Sosina (4%), under the 2007 Irish Porcupine bidding Round. These blocks lie close to and southwest of the Dunquin licence in water depths of c. 2,000-3,000 meters and contain the Drombeg Prospect. ExxonMobil, as Operator, carried out a 2-D seismic survey over the acreage in June 2008. These data should help to better define the prospectivity of the Drombeg area.

Rockall Licensing Round
In April 2009, the Company confirmed that it had applied for a Frontier Exploration Licence under the 2009 Rockall Licensing Round through a consortium comprising Providence, OMV (Exploration) GMBH and Sosina Exploration Limited. Providence will act as Operator if awarded acreage under the Round. The acreage on offer under the Licensing Round is located in the Rockall Basin off the North West Coast of Ireland and covers an area of approximately 117,200 sq. kilometers.

PORTFOLIO MANAGEMENT

- **Strategic JV with Star Energy/PETRONAS**
- **Kish Bank Basin and ULYSSES project**
- **Relinquishment of Fields**

Strategic JV with Star Energy/PETRONAS (50% Interest)
In 2007, Providence and Star Energy agreed a strategic joint venture on future gas storage initiatives offshore Ireland. Providence sees gas storage as a future strand to its business model. The Irish Government has stated that increased national gas storage capacity should be a strategic initiative, given the country's exposure within the European gas supply network coupled with the high degree of imported supply. Star Energy, now a wholly owned subsidiary of PETRONAS, is a leading operator and developer of gas storage systems both onshore and offshore United Kingdom. In April 2009, PETRONAS announced that it had acquired 100% of Marathon's gas production, storage and trading business offshore Cork. Providence, Star/PETRONAS continue to evaluate various gas storage opportunities offshore Ireland.

Kish Bank Basin (50% Interest)

In August, as part of their MOU on gas storage, Star/PETRONAS and Providence were awarded a 3 year Licensing Option over 8 blocks in the Kish Bank Basin, offshore Dublin and commenced the "ULYSSES Project", a study to evaluate the carbon sequestration and natural gas storage potential of the Kish Bank Basin, offshore Ireland. The study is being carried out on a 50/50 joint venture basis. The agreed work programme will focus on the oil and gas exploration potential of the basin while the ULYSSES Project will specifically assess the potential the gas storage and CO_2 sequestration potential of underground saline reservoirs in the Kish Bank Basin. Separately, the partners have identified a very large exploration prospect in the Kish Bank Basin. Called Dalkey Island, the prospect is located 8 kilometres offshore Dublin and is currently being assessed.

Relinquishment of Fields
In May 2009, Providence began scheduled withdrawal procedures on its MO 861 gas field in the Gulf of Mexico due to reserves having been depleted as planned. Separately, in the United Kingdom, the Company took a strategic decision to withdraw from its offshore UK acreage to allow it to focus on the balance of its portfolio. This decision was taken to withdraw from Crosby, West Lennox and surrounding acreage due to the relative immateriality of our interests (relative to other assets within the portfolio) and the forward investment programme.

ENERGY AND THE ENVIRONMENT

The Company is committed to supplying energy in an environmentally responsible manner. In addition to its ongoing exploration and development initiatives, which are carried out in compliance with all relevant environmental rules and regulations, the Company is also a contributing participant to the Irish Government sponsored initiative on new energy sources, including methane gas hydrates.

Providence also has a collaboration agreement with Hydrates Energy International (HEI) which is part of the advisory team to the U.S Government in respect of Hydrates. Providence recently carried out a Methane Hydrate Assessment Study of the Irish Continental Margin on behalf of the Irish Petroleum Infrastructure Programme. This programme counts oil majors such as Shell, ExxonMobil, Chevron, Total and ENI amongst its members.

OUTLOOK

The Company is expecting a period of high activity in 2009, consistent with prior years. Importantly, we have not deviated from our diversified portfolio strategy, and we continue to focus on increasing production levels.

We are pleased to report that 2009 has started off well for the Company. With a clear focus on cash generation, the current and planned production increases, approximating some 1,000 BOEPD (in aggregate) at both Singleton and in the Gulf of Mexico, will serve us very well for the balance of the year as we head towards 3,000 BOEPD. Looking further ahead, we are on track to achieve our new production target of 5,000 BOEPD in 2011. We also continue to expand and enhance the balance of our portfolio, with a big focus now being on advancing a number of our large development and exploration projects off the west coast of Ireland to the drilling stage as well as increasing our exposure to gas storage opportunities.

We believe that this tightly managed portfolio of assets strategy gives Providence shareholders a unique investment platform. This, together with our focus on costs, means that Providence shareholders can look to the future with real optimism.

Tony O'Reilly
Chief Executive

May 21, 2009

PROVIDENCE - ASSETS BY REGION

Asset	Location	Operator	%	Type
IRELAND				
Pegasus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Orpheus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Dionysus	NE Celtic Sea	Providence	100.0%	Oil and gas exploration
Dragon (part)	NE Celtic Sea	Marathon	c. 25.0%	Gas development
Hook Head	Celtic Sea	Providence	53.2%	Oil &Gas discovery
Dunmore	Celtic Sea	Providence	53.2%	Oil discovery
Helvick	Celtic Sea	Providence	53.2%	Oil & Gas discovery
Ardmore	Celtic Sea	Providence	53.2%	Gas discovery
Blackrock	Celtic Sea	Providence	53.2%	Oil discovery
LO 1/07	Celtic Sea	Providence	53.2%	Oil and gas exploration
Barryroe	Celtic Sea	Lansdowne	30.0%	Oil & Gas discovery
Spanish Point	Porcupine Basin	Providence	56.0%	Gas development
Burren	Porcupine Basin	Providence	56.0%	Oil discovery
FEL 4/08	Porcupine Basin	Providence	56.0%	Oil and gas exploration
Dunquin	Porcupine Basin	ExxonMobil	16.0%	Oil and gas exploration
Drombeg	Porcupine Basin	ExxonMobil	16.0%	Oil and gas exploration
Newgrange	Goban Spur Basin	Providence	16.0%	Oil and gas exploration
Dalkey Island	Kish Bank Basin	Providence	50.0%	Oil and gas exploration
UNITED KINGDOM				
Singleton	Onshore	Providence	99.1%*	Oil and gas production
Baxter's Copse	Onshore	Providence	50.0%	Oil discovery
Burton Downs	Onshore	Providence	50.0%	Oil and gas exploration
West Lennox**	East Irish Sea Basin	CMI	10.0%	Oil discovery
Crosby**	East Irish Sea Basin	CMI	10.0%	Oil and gas exploration
110/9b(p)**	East Irish Sea Basin	CMI	25.0%	Oil and gas exploration
110/14b(p)**	East Irish Sea Basin	CMI	25.0%	Oil and gas exploration

*** 99.125%**
**** Documentation pending on withdrawal from UK Offshore interests.**

Asset	Location	Operator	%	Type
UNITED STATES				
High Island A 268	Gulf of Mexico	Peregrine	5.0%	Oil and gas production
Galveston A 155	Gulf of Mexico	Peregrine	10.8%	Gas development
Ship Shoal 252/253/267*	Gulf of Mexico	SPN	50.0%	Oil and gas production
Main Pass 19	Gulf of Mexico	Petsec	45.0%	Oil and gas production
East Cameron 257	Gulf of Mexico	SPN	12.5%	Gas production
West Cameron 333	Gulf of Mexico	Mariner	32.5%	Gas production
Vermillion 60	Gulf of Mexico	SPN	50.0%	Gas production
Ridge	Onshore Louisiana	Brammer	30.0%	Gas production
Main Pass 89**	Gulf of Mexico	Beryl	17.5%	Gas production

*** Earned interest through well bore**
**** Back-in rights for 25% of 70% after pay out**

Asset	Location	Operator	%	Type
NIGERIA				
AJE, OML 113	Offshore Nigeria	YFP/Chevron	5.0%	Oil and gas development

Providence has been very successful in attracting very high profile partnerships across it operations, including:

- ExxonMobil - the world's largest publicly traded international oil and gas company
- 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.
- CMI/Transocean - the world's largest offshore drilling contractor,
- Chevron - one of the world's largest integrated energy companies

PROVIDENCE RESOURCES P.l.c.

Consolidated income statement

For the year ended 31 December 2008

	2008 €'000	2007 Before Exceptional items €'000	2007 Exceptional items €'000	2007 Total €'000
Continuing operations				
Revenue	**24,814**	4,333	-	4,333
Cost of sales	**(13,571)**	(1,477)	718	(759)
Gross profit	**11,243**	2,856	718	3,574
Administration expenses	**(2,784)**	(2,003)	-	(2,003)
Pre-licence expenditure	**(927)**	(737)	-	(737)
Negative goodwill on acquisition of Singleton	-	-	4,351	4,351
Impairment of exploration and evaluation assets	**(49,743)**	-	-	-
Operating (loss)/profit	**(42,211)**	116	5,069	5,185
Finance income	**487**	539	-	539
Finance expenses	**(8,294)**	(251)	(3,984)	(4,235)
(Loss)/profit before income tax	**(50,018)**	404	1,085	1,489
Income tax expense	**(1,175)**	(920)	-	(920)
(Loss)/profit for the year from continuing operations	**(51,193)**	(516)	1,085	569
(Loss)/earnings per share (cent)				
Basic (loss)/earnings per share	**(2.06)**			0.02
Diluted (loss)/earnings per share	**(2.06)**			0.02

PROVIDENCE RESOURCES P.l.c.

Consolidated balance sheet

At 31 December 2008

	2008 €'000	2007 €'000
Assets		
Exploration and evaluation assets	**9,505**	30,980
Development and production assets	**78,172**	32,511
Property, plant and equipment	**193**	142
Available for sale assets	**219**	872
Derivative instruments	**9,604**	-
Total non-current assets	**97,693**	64,505
Trade and other receivables	**5,412**	4,534
Derivative instruments	**463**	-
Deferred tax	**3,962**	
Cash and cash equivalents	**9,664**	11,396
Restricted cash	**13,027**	-
	32,528	15,930
Assets classified as held for sale	**9,491**	-
Total current assets	**42,019**	15,930
Total assets	**139,712**	80,435
Equity		
Share capital	**14,172**	14,162
Share premium	**56,309**	55,239
Singleton revaluation reserve	**3,206**	3,357
Capital conversion reserve fund	**623**	623
Convertible bond – equity portion	**2,944**	-
Foreign currency translation reserve	**(4,660)**	(217)
Share based payment reserve	**1,597**	968
Macquarie loan warrant reserve	**5,641**	3,666
Cashflow hedge reserve	**7,047**	-
Retained earnings	**(84,908)**	(33,866)
Total equity attributable to equity holders of the Company	**1,971**	43,932
Liabilities		
Loans and borrowings	**77,843**	9,139
Decommissioning provision	**4,762**	1,113
Deferred tax	**16,001**	11,490
Total non-current liabilities	**98,606**	21,742
Trade and other payables	**27,638**	14,761
Loans and borrowings	**11,497**	-
Total current liabilities	**39,135**	14,761
Total liabilities	**137,741**	36,503
Total equity and liabilities	**139,712**	80,435

PROVIDENCE RESOURCES P.l.c.

Consolidated statement of cash flows

For the year ended 31 December 2008

	2008	2007
	€'000	€'000
Cash flows from operating activities		
(Loss)/profit before income tax for the year	**(50,018)**	1,489
Adjustments for:		
Depletion and depreciation	**7,398**	633
Change in Helvick decommissioning provision	**-**	(718)
Impairment of exploration and evaluations assets	**50,670**	-
Negative goodwill on Singleton acquisition	**-**	(4,351)
Finance income	**(487)**	(539)
Finance expense	**8,294**	4,235
Equity-settled share based payment charge	**629**	610
Change in trade and other receivables	**(832)**	(2,055)
Change in restricted cash	(13,073)	-
Change in trade and other payables	**12,877**	9,493
Foreign exchange adjustments	**-**	(312)
Interest paid	**(3,212)**	-
Tax paid	**(4)**	-
Net cash inflow from operating activities	**12,242**	8,485
Cash flows from investing activities:		
Interest received	**487**	539
Acquisition of exploration and evaluation assets	**(35,992)**	(17,964)
Acquisition of development and production assets	**(8,906)**	(2,619)
Acquisition of property, plant and equipment	**(131)**	(30)
Acquisition of available for sale assets	**(3,250)**	(1,252)
Acquisition of subsidiary undertaking	**(43,278**)	(9,263)
Net cash used in investing activities	**(91,070)**	(30,589)
Cash flows from financing activities:		
Proceeds from issue of share capital	**1,080**	26,010
Payment of transaction costs	**-**	(1,350)
Repayment of loans and borrowings	**(12,034)**	(4,780)
Proceeds from drawdown of loans and borrowings	**88,963**	9,139
Net cash from financing activities	**78,009**	29,019
Net (decrease)/increase in cash and cash equivalents	**(819)**	6,915
Cash and cash equivalents at 1 January	**11,396**	4,481
Effect of exchange rate fluctuations on cash and cash equivalents	**(913)**	-
Cash and cash equivalents at 31 December	**9.664**	11,396