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PROVIDENCE RESOURCES P.l.c.
("Providence" or the "Company")
PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS 2010

PRODUCTION
- Singleton oil field:
  - Produced 185,151 BO (2009: 187,640 BO), commenced multi-well drilling programme and increased 2P oil reserves by 44%
- Gulf of Mexico oil and gas portfolio:
  - Sale of portfolio for up to $22 million ($15 million cash plus potential deferred $7 million)

APPRAISAL/DEVELOPMENT
- North Porcupine Basin:
  - Announced 3D results, outline development and forward appraisal programme at Spanish Point gas condensate discovery
  - Completed positive 3D evaluation at the Burren oil discovery
- St George's Channel Basin: agreed farm out option with Star PETRONAS over SEL 1/07 (Dragon)
- Celtic Sea Basin:
  - Increased shareholding at Barryroe oil discovery to 50% and assumed operatorship
  - Received Licensing Option authorisation over Baltimore oil discovery and agreed a farm out with Nautical Petroleum
  - Agreed farm out of 10% of Helvick oil discovery to Lansdowne Oil & Gas
  - Agreed farm out of Nemo oil discovery in the South Celtic Sea to Nautical Petroleum

EXPLORATION
- South Porcupine Basin: completed well site survey at Dunquin
- Rathlin Basin: secured first exploration licence in Northern Ireland
- Identified new exploration prospects for further investigation, offshore Ireland at Dalkey Island (Kish Bank Basin), Marlin (Celtic Sea Basin) and Wilde (North Porcupine Basin)

FINANCE
- Successful placing of shares in February 2010 raised €16.5 million

ACTIVITY TO DATE IN 2011

PRODUCTION

Launched programme at Singleton to take production rates to over 1,500 BOEPD over the next two years through various initiatives, including additional wells, stimulation, fracturing and installation of generators to monetise flared gas. The X11 well has recently been completed and put into production.

DRILLING PROGRAMME

Offshore the island of Ireland, announced the largest ever multi-year, multi-well drilling programme, over six basins, comprising a mixture of exploration prospects and appraisal/development projects in the Celtic Sea Basin (Barryroe and Hook Head), Kish Basin (Dalkey Island), Rathlin Basin (Rathlin), North Porcupine Basin (Spanish Point) and South Porcupine Basin (Dunquin) and in the St George's Channel Basin (Dragon).

A semi-submersible rig has been secured for the first phase of the programme in the Celtic Sea, which starts later this summer. The procurement of suitable rigs for the other prospects is ongoing.

SEISMIC PROGRAMMES

3D seismic programmes are due to be carried out in the Celtic Sea Basin and the North Porcupine Basin in the second and third quarters of 2011, respectively.

FINANCE

A placing of shares in March 2011 raised £41.0 million (€47.6 million). The Company also sold its Gulf of Mexico oil and gas production portfolio for a sum of up to $22 million, comprising a cash payment of $15 million with a deferred potential payment of up to $7 million depending on certain performance criteria. As a result, the Company has presented an additional unaudited proforma Consolidated Statement of Financial Position which highlights the positive impact of the share placing and the Gulf of Mexico divestment.

FINANCIAL INFORMATION

- Revenue was €11.080 million (2009, as re-presented: €11.783 million) delivering a loss for the year from continuing operations of €9.806 million (2009, as re-presented: loss of €7.329 million)
- Loss from discontinued operations of €31.795 million (2009, as re-presented: loss of €2.450 million)
- Net loss for the year of €41.601 million (2009: loss of €9.779 million) yielding a 125.3 cent loss per share (2009, as restated: loss 36.03)

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

"2010 saw a huge increase in activity at Providence. We have assembled a balanced portfolio of drill prospects while also ensuring that we have the appropriate partners for each specific asset. We have continued to expand our production base onshore UK with a new well now in production. We have also announced the largest drilling programme ever to be carried out offshore Ireland. We took a strategic decision to divest our portfolio of non-operated assets in the Gulf of Mexico, which was the main reason for the significant loss for the year. Additionally, we took the decision not to proceed with the Kinsale Head Option for gas storage. However, we still see significant potential in gas storage and are therefore continuing to examine the feasibility of the Ulysses Project in the Irish Sea.

"The focus for 2011 and beyond is on turning the drill bit on our extensive portfolio of production, appraisal and exploration assets in Ireland and the United Kingdom. The Company firmly believes that recent advances in technology, infrastructure and commodity pricing combine to present a unique opportunity to test the commercial potential of a number of these assets. At the same time, the ongoing field re-development programme at Singleton, onshore UK, allows the Company to access greater production rates and higher reserves from this licence.

"Providence has a clear strategy, outstanding partners, an increasing reserve base and a dynamic asset portfolio which is now set to be the subject of a comprehensive drilling programme. These strengths, combined with favourable commodity prices and exchange rates, our existing cash resources and our growing production cash flow, give us great confidence that Providence remains a compelling long term investment proposition for investors".

Tony O'Reilly
Chief Executive **16 May 2011**

Contacts:
Providence Resources Plc Tel: +353 (0)1 219 4074
Tony O'Reilly

Powerscourt Tel: +44 (0)207 250 1446
Rob Greening/Lisa Kavanagh

Murray Consultants Tel: +353 (0)1 498 0300
Pauline McAlester/Pauline Dooley

Cenkos Securities Plc Tel: +44 (0)207 387 8900
Adrian Hargraves/Nick Wells

J&E Davy Tel: + 353 (0)1 679 6363
Eugenee Mulhern/Stephen Barry

The full Preliminary Report, Financial Statements and Company Outlook is set out on the attached pages

About Providence
Providence Resources Plc is an independent oil and gas exploration company listed on the AIM market in London and on Dublin's ESM market. Providence's oil and gas portfolio includes interests in Ireland (offshore), the United Kingdom (onshore and offshore) and West Africa (offshore Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically. Information on Providence and its oil and gas portfolio 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.

Glossary of terms used in this Announcement

ALL FIGURES QUOTED ARE GROSS FIGURES, UNLESS OTHERWISE STATED

BOPD	Barrels of Oil per Day
BOEPD	Barrels of Oil Equivalent per Day
MMSCFGD	Million Standard Cubic Feet of Gas per Day
MMBO	Millions of Barrels of Oil
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 been used in preparing this announcement

LIST OF ASSETS

IRELAND

Asset	Basin	Operator	%	Type
Barryroe	Celtic Sea	Providence	50.0%	Oil discovery
Hook Head	Celtic Sea	Providence	72.5%	Oil & gas discovery
Dunmore	Celtic Sea	Providence	72.5%	Oil discovery
Helvick	Celtic Sea	Providence	62.5%	Oil & gas discovery
Nemo	Celtic Sea	Providence	54.4%[1]	Oil & gas discovery
Baltimore	Celtic Sea	Providence	60.0%	Oil discovery
Marlin	Celtic Sea	Providence	30.0%[2]	Oil and gas exploration
Dalkey Island	Kish Bank	Providence	50.0%	Oil and gas exploration
ULYSSES	Kish Bank	EIRGAS[3]	100.0%	Gas storage evaluation
Spanish Point	Main Porcupine	Providence	32.0%	Oil & gas development
Burren	Main Porcupine	Providence	32.0%	Oil discovery
Wilde	Main Porcupine	Providence	32.0%	Oil and gas exploration
FEL 4/08	Main Porcupine	Providence	32.0%	Oil and gas exploration
Dunquin	South Porcupine	ExxonMobil	16.0%[4]	Oil and gas exploration
Cuchulain	South Porcupine	ENI	3.2%	Oil and gas exploration
Pegasus	St George's Channel	Providence	100.0%[5]	Oil and gas exploration
Orpheus	St George's Channel	Providence	100.0%[5]	Oil and gas exploration
Dionysus	St George's Channel	Providence	100.0%[5]	Oil and gas exploration
Dragon (part)	St George's Channel	Providence	c.25.0%[5]	Gas development

1 Subject to terms of farm out with Nautical
2 Providence holds 60% of licence; Equity shown is net for Marlin Prospect
3 EIRGAS Limited is a 100% owned SPV established by Providence to invest in gas storage/ CCS opportunities offshore Ireland/UK
4 Subject to terms of farm out with ExxonMobil
5 Subject to terms of farm out with PETRONAS

UNITED KINGDOM

Asset	Basin	Operator	%	Type
Singleton	Onshore, Weald	Providence	99.1%	Oil and gas production
Baxter's Copse	Onshore, Weald	Providence	50.0%	Oil discovery
Burton Down	Onshore, Weald	Providence	50.0%	Oil and gas exploration
Rathlin	Rathlin	Providence	100.0%	Oil and gas exploration

NIGERIA

Asset	Basin	Operator	%	Type
AJE, OML 113	Offshore Nigeria	YFP/Chevron	6.7%	Oil and gas development

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.

Financial Results Year End 2010

Revenues for the 12 month period were €11.080 million compared to €11.783 million in 2009, reflecting a slight reduction in UK production volumes due to drilling operations interrupting production rates in the fourth quarter, allied to the impact of a lower oil price achieved in 2010 which was slightly offset by a stronger dollar. The FY 2009 results have been re-presented to provide a like-for-like comparison with FY 2010 results, and now exclude the revenues from the Gulf of Mexico portfolio (classified as "discontinued operations").

Total annual production (from continuing operations) was 185,151 BOE compared to 187,640 BOE in 2009. The average oil price per barrel achieved in 2010 was $80.03 compared to $88.64 in 2009. The operating profit was €1.466 million versus €3.463 million (2009, as re-presented), reflecting the impact of higher costs and additional impairment charges. After finance and taxation expenses, the loss for the year from continuing operations was €9.806 million versus €7.329 million. (2009, as re-presented)

In April 2011, the Company announced the sale of its Gulf of Mexico asset portfolio to Dynamic Offshore Resources LLC ("Dynamic") for a consideration of up to $22 million (comprising an initial cash payment of $15 million and, potentially, an additional $7 million deferred cash payment). This transaction necessitated an additional net write-off of €26.806 million, which led to a loss for the year of €41.601 million versus a loss of €9.779 million. The deferred cash payment of up to $7 million is dependent on Dynamic reaching certain production levels from any new wells drilled on Ship Shoal 252, 253 and 267 prior to January 2013. The Company's fully diluted post tax EPS in 2010 was a loss of 125.3 cents compared to a loss of 36.03 cents (2009, as restated).

Capital Raising – February 2010

In February 2010, the Company announced a placing of 448.8 million new ordinary shares, raising £14.4 million (€16.5 million). The proceeds of this placing were used to further strengthen Providence's balance sheet by reducing net debt levels, as well as providing additional working capital.

Capital Reorganisation

In May 2010, shareholders approved a reorganisation of the capital structure of the ordinary shares of the Company, which resulted in a consolidation of existing ordinary shares (including authorised but unissued existing ordinary shares), followed immediately by a subdivision of the consolidated shares to create new ordinary shares of €0.10 each. The effect of this reorganisation reduced the number of ordinary shares in issue to approximately 33.7 million, whilst increasing the price per share proportionally. The capital reorganisation was approved by shareholders at an Extraordinary General Meeting held on 26 May 2010.

Capital Raising – March 2011

In March 2011, the Company placed 16.1 million new ordinary shares, raising £41.0 million (€47.6 million) (US$65.7 million). The proceeds of the Placing will primarily be used for the Company's multi-well drilling programme of oil and gas prospects in areas of proven oil and gas discoveries offshore Ireland and onshore UK. The Placing also provides capital for seismic studies to be undertaken on some of the Company's early stage assets in order to assess their suitability for drilling at a future date. This placing was approved by shareholders at an Extraordinary General Meeting held in March 2011 and brings the total number of issued ordinary shares to 49.8 million shares.

OPERATIONAL HIGHLIGHTS - PRODUCTION

Singleton Production, Onshore UK (99.125% interest)

The Singleton oil field is located in the Weald Basin, West Sussex, Southern England. Since production commenced in 1986, the field has produced c. 4.1 MMBO from an oil in-place resource of up to c.107 MMBO. The Singleton field development plan indicates that the Company can expect to meet its stated objective of increasing field production to over 1,500 BOEPD over the next two years through a phased programme of activities on the field including in-fill drilling, additional acid stimulation, gas monetisation through gas to wire power generation and acid fracturing.

In 2010, daily oil production averaged 507 barrels (versus 514 in 2009), with production rates in the fourth quarter being interrupted by the commencement of drilling operations on site, which continued through into 2011. On a BOEPD basis, which includes associated gas production, average 2010 production amounted to some 628 BOEPD (677 in 2009).

In the fourth quarter of 2010, the Company commenced its 2010 drilling programme which comprised the sidetracking of the X9 well (the new X11 well) to a new and more optimal location, together with the addition of a new lateral section to the currently producing X8x well. In April 2011, the X11 well was brought on-stream at an initial rate of c. 200 BOEPD (c. 150 BOPD & c. 300 MSCFGD), which was in-line with pre-drill expectations.

2011 Programme

The 2011 programme is a continuation of the agreed field development plan which will see a completion of activities from the 2010 programme, as well as a series of new activities. The X11 well design was optimised for stimulation and plans are currently being progressed to carry out an acid fracture operation during Q3 2011 to increase production rates further. The X8v lateral well is currently being prepared for stimulation.

Looking further ahead, Providence is planning a new production well (X12) which is anticipated to be drilled in the fourth quarter of 2011. The Company is already in discussion with rig operators. Additionally, the Company will continue optimisation of production rates from existing wells at site, whilst also finalising the implementation of its gas to wire project for year-end which will process c.200 BOEPD of gas

Updated Reserve Report

In March 2011, an independent updated third party reserve audit was carried out by Collarini & Associates. This audit reports 7.7 MMBO of 2P net oil reserves at Singleton as of 1st March 2011, which represents an increase of 44% in 2P oil reserves when compared to the previous report from 1st January 2010.

Baxter's Copse, PEDL 233, Onshore UK (50.0% interest)

The Company and Northern Petroleum Plc are partners in PEDL 223, which is adjacent to Singleton. The two companies have identified a number of exploration and development opportunities within the block, principally the Baxter's Copse oil discovery. An RPS Energy third party reserve audit attributes 2P and 3P gross undeveloped reserves of c. 5.4 MMBO and 15 MMBO respectively (2.7 MMBO and 7.5 MMBO respectively net to Providence). The previously announced plan to advance the Baxter's Copse discovery to first oil in 2011 - via a third party tieback to the Providence-operated Singleton oil field facilities - has been delayed due to the Company's focus on exploiting incremental production opportunities at Singleton. Further details on the forward programme will be provided later in the year.

Gulf of Mexico, Offshore USA – Sale of Portfolio

Throughout 2010, the Company continued to work to increase production rates through various re-complete activities and by re-instating production impacted by hurricanes in 2008. In particular, the much delayed re-commencement of production at Ship Shoal 253 in May 2010 was a welcome boost.

However, the overall economics of gas prices in the United States made it increasingly hard to justify ongoing investment in the Gulf of Mexico. A key rationale for the original investment in the Gulf of Mexico was the value of the PUDs, (proved undeveloped reserves), which were supposed to be drilled over subsequent years, thereby increasing production levels from the then 1,300 BOEPD to a projected 2,000 BOEPD. Unfortunately, the steep fall in gas prices in the autumn of 2008 and thereafter meant that the partners were not willing to invest in drilling and, as a result, attributable production levels fell. Furthermore, the subsequent impact of shale gas production on US domestic gas prices limited the Company's options to develop this gas-weighted portfolio in the foreseeable future. Accordingly, the Company took the decision to withdraw from the Gulf of Mexico in order to focus on its investment strategies at Singleton (onshore UK) and its multi-well drilling programme (offshore Ireland).

OPERATIONAL HIGHLIGHTS - DEVELOPMENT/APPRAISAL

Spanish Point & Burren, Main Porcupine Basin, Ireland (32.0% interest)

In 2009, Providence and its partners (Chrysaor and Sosina) acquired a c. 300 sq km 3D seismic survey over the Spanish Point licence, which contains the Spanish Point gas discovery and the adjacent Burren oil discovery. The Company subsequently announced encouraging results from this 3D seismic, which confirmed a resource level of up to c. 510 MMBOE with c. 200 MMBOE recoverable, with peak production rates having been modelled at over 70,000 BOEPD. This was followed in the first quarter 2011 by a confirmation by the partners to move to the next stage of licence, requiring a well commitment.

In March 2011, under the terms of its farm-in, Chrysaor elected to exercise their option to drill up to two appraisal wells on the Spanish Point discovery. In return for committing to this work programme, Chrysaor will double its equity participation in FEL 2/04 and FEL 4/08 from 30% to 60% and assume the drilling management role for the Spanish Point programme. As a result, Providence's equity decreases from 56.0% to 32.0% with Sosina's equity reducing from 14% to 8%. As part of the option, there is a cap on Providence's and Sosina's financial exposure to the drilling. The partnership has already high-graded the primary appraisal well location and planning has commenced for the Spanish Point well programme together with the sourcing of a suitable rig for a planned 2012 programme.

Additional 3D Seismic Programme
In March 2011, the Company, on behalf of its partners Chrysaor and Sosina, signed a contract with Polarcus Limited for a 3D seismic acquisition project in the Porcupine Basin, offshore Ireland. The 200 km^2 survey is planned to commence in the third quarter 2011 and is expected to run for approximately 15 days.

Barryroe, Celtic Sea Basin, Offshore Ireland (50.0% interest)
In December 2010, the Company announced an asset swap deal with Lansdowne which saw Providence increase its equity to 50.0% from 30.0% and assume operatorship of the Barryroe oil discovery in the North Celtic Sea. Barryroe lies directly below the Seven Heads Gas Field and has been successfully tested at flow rates of between 1,300 and 1,600 BOPD, from three exploration and appraisal wells drilled in the 1970s and 1990s. The reservoir sands are of Cretaceous Middle and Lower Wealden age and the oil is light (30 to 42 degrees API) with a relatively high wax content ranging from 12 to 22 per cent, which may require treatment at surface. A third party audit carried out by RPS Energy for Lansdowne indicated P50 and P10 STOIIP estimates for Barryroe of 373 MMBO and 893 MMBO, respectively. The corresponding 2C and 3C recoverable contingent resources are 59 MMBO and 144 MMBO, respectively.

Seismic Survey
In March 2011, the Company signed a contract with Polarcus Limited for a 3D seismic acquisition project at Barryroe. The survey, which will commence in June and is expected to run for approximately 15 days, forms part of the planned pre-development drilling programme and will be used to plan for the appraisal/ pre-development well designed to progress Barryroe to first oil.

Rig
In April 2011, the Company announced that it had secured a semi-submersible rig for its well programme in the Celtic Sea during the summer of 2011. Under the terms of the deal agreed, Providence, as Operator, has hired the semi-submersible rig, the GSF ARCTIC III. Based on the current rig schedule, the first spud date is expected to be late August 2011. Well site surveys over Barryroe and Hook Head were successfully completed using the R.V. Celtic Voyager. The partners believe that modern 3D seismic data, in tandem with modern artificially lifted well completions in the current high oil price environment, will be key components to unlocking value at Barryroe.

Shell MOU
In January 2011, the Company signed a Memorandum of Understanding (MOU) with Shell International Trading and Shipping Company Limited which relates to future potential oil production from its Barryroe and Hook Head oil discoveries. Under this MOU, the companies have committed to work together over the coming months to execute an oil off-take sale and purchase agreement for the Barryroe and Hook Head oil discoveries. In addition, Shell will also carry out a market analysis on how best to market the oil from these fields.

Hook Head, Celtic Sea Basin, Offshore Ireland (72.5% interest)
Hook Head is located offshore Wexford in Standard Exploration Licence 2/07 in the North Celtic Sea Basin. The Hook Head structure is a large mid-basinal anticline where four wells have been drilled to date, all of which encountered hydrocarbon bearing sands. Two of these wells were drilled by Providence in 2007/08 and oil and gas was encountered in both, although operational constraints resulted in limited test data. Further evaluation of the field suggests that the majority of the resource (estimated c. 120 MMBO) lies in the central part of the structure with the North and South flanks providing additional potential incremental resources for any future development in the area. This central area is where the focus of the planned drilling will take place, with the objective of obtaining sufficient test data.

Baltimore, Celtic Sea Basin, Offshore Ireland (60.0% interest)
In February 2010, the Company announced that it has been awarded Licensing Option 10/1 over the Baltimore heavy oil discovery located in block 48/19(p) in the North Celtic Sea Basin. The 48/19-2 discovery well is situated some c. 30 kilometres off the south coast of Ireland. Discovered in 1992, this c. 11° API heavy oil accumulation is estimated to have an in-place resource potential of up to c. 300 MMBO.

Nemo, Celtic Sea Basin, Offshore Ireland (54.4% interest)
In May 2010, the Company announced that it had completed a resource assessment of the heavy oil potential, referred to as Nemo, underlying the Ardmore gas field (which contains an estimated 30 BCF). This work indicated an in-place resource potential of up to c. 230 MMBO of c. 16° API oil. Providence announced a two step farm out with Nautical Petroleum ("Nautical"), which will see Nautical fund and carry out a focused work programme on the development feasibility of the Nemo oil discovery in return for 25% equity in the field. Nautical has an option to increase its stake in the field to 65% and take-over operatorship should it elect to drill an appraisal well on Nemo by the end of 2011.

Helvick, Celtic Sea Basin, Offshore Ireland (62.5% interest)
In May 2010, the Company announced it had entered into an agreement to assess the development feasibility of using unmanned production buoys on the Helvick Field, which is located in Standard Exploration Licence (SEL) 2/07 in the North Celtic Sea Basin. This is one of a number of assessments being carried out on low cost development options for the Helvick field. In December 2010, the Company agreed to assign a 10% non-operated interest in Helvick to Lansdowne Oil and Gas plc. In February 2011, Lansdowne issued an independent reserve update on several of their assets. In this report, they stated that under the current conditions of high oil prices, commercial production at Helvick (3 MMBO Gross, 1.875 MMBO net 2C Contingent Resources) could be achieved and, as a result, first oil could potentially be achieved within two years of project sanction.

Dragon, St George's Channel Basin, Offshore Ireland (100.0% interest)
In November 2010, the Company signed a 10 month option agreement with Star Energy Group ("Star") in relation to its 100% owned and operated Standard Exploration Licence (SEL) 1/07 in the St George's Channel Basin. The licence contains the mapped extension of the UK Dragon gas discovery into Irish waters, as well as the deeper Orpheus and Pegasus exploration prospects. The option agreement provides for Star to acquire a non-operated 50% interest in the Dragon Licence in return for carrying out a number of subsurface studies on the Dragon gas discovery. Should Star subsequently exercise this option it will participate in the drilling of the planned appraisal/development well on the Dragon discovery.

AJE Field, Offshore Nigeria (6.7% interest)
The AJE field is situated in the deepwater portion of OML 113 located offshore Nigeria, adjacent to the Benin border. In 2009, the AJE field was deemed a commercial discovery by the operating committee. Chevron, as Technical Advisor, was authorised to prepare a development plan, aligning the commercial aspects with the technical development of the AJE field. Work carried out to date by the co-venturers has included pre-Front-End Engineering and Design (pre-FEED) work on an integrated oil and gas development, as well as an evaluation by certain co-venturers on a fast track oil-only development. The forward plan for AJE is subject to greater clarity on the emerging Petroleum Industry Bill in Nigeria and certain other commercial matters being resolved.

OPERATIONAL HIGHLIGHTS – EXPLORATION

Dunquin Prospect, South Porcupine Basin, Offshore Ireland (16.0% interest)

The Dunquin exploration prospect is located in the South Porcupine Basin. The prospect is operated by ExxonMobil Exploration and Production (Offshore) Ireland Limited and has associated P50 & P10 prospective recoverable resources of c. 1.7 BBOE & c. 3.7 BBOE, respectively. In August 2009, the Company confirmed that ExxonMobil, on behalf of the Dunquin partners, had notified the Irish Department of Communications, Energy and Natural Resources that they have elected to enter the second phase of the licence, which carries a firm well commitment within the Dunquin licence area. In July 2010, a pre-drill site survey was successfully concluded over the Dunquin Prospect. The Dunquin partners now await formal notification of a spud date from the operator, ExxonMobil.

Dalkey Island Prospect, Kish Bank Basin, Offshore Ireland (50.0% interest)

In April, the Company identified the Lower Triassic Dalkey Island prospect, offshore Dublin, as a significant undrilled oil exploration prospect with an in-place prospective resource potential of c. 870 MMBO. Providence operates the prospect on behalf of its partner Star Energy Group (a wholly owned subsidiary of PETRONAS). Similar aged oil productive reservoirs have been discovered in the Liverpool Bay area of the East Irish Sea Basin, offshore UK. The Company has begun discussions with rig operators to source a suitable unit for the drilling of a well in 2011/12 with well site surveys being undertaken later this quarter.

Marlin Prospect, Celtic Sea Basin, Offshore Ireland (60.0% interest)

As part of the Nautical study on the Baltimore heavy oil discovery (see above), Licensing Option 10/1 and surrounding area were mapped using available seismic data. This work has revealed the new Marlin exploration prospect which is located c. 10 km NW of the producing Kinsale Head gas field. This structure, which is the same age as the primary producing reservoirs in the Kinsale Head gas field, has been mapped to extend beyond the current Option area. Accordingly, the Baltimore partners increased the area covered by the Option to include the mapped extension of the Marlin prospect into open acreage. Geological modelling of the Marlin prospect suggests that it is likely to be gas charged with a total in place prospective resource potential of up to c. 74 BSCF.

Pegasus Prospect, St George's Channel Basin, Offshore Ireland (100.0% interest)

The Pegasus exploration prospect is located north-west of the Dragon Field in the St George's Channel with estimated prospective resource potential of c. 300 BSCF.

Orpheus Prospect, St George's Channel Basin, Offshore Ireland (100.0% interest)

The Orpheus exploration prospect lies beneath the Dragon gas field, which straddles the Irish/UK Median Line. It is planned that the deeper Orpheus prospect, which has an estimated prospective resource potential of c. 290 BSCF, would be drilled as part of any appraisal programme of the Dragon Field.

Wilde Prospect, Porcupine Basin, Offshore Ireland (32.0% interest)

Previous 2D seismic interpretation over the Spanish Point area indicated the presence of a potentially large structural closure known as the Wilde exploration prospect underlying the Spanish Point discovery. Interpretation and mapping of the new 3D data has confirmed the presence of the Wilde prospect with an associated c. 45 sq km of areal closure.

New independent CPR completed for FEL 2/04 and FEL 4/08

Senergy, a leading Aberdeen-headquartered energy services company, recently carried out a Competent Persons Report (CPR) on the resource potential of FEL 2/04 and FEL 4/08. This study has independently assessed gross un-risked recoverable prospective resources of up to c. 750 MMBOE in FEL 2/04 and FEL 4/08. This resource potential covers a number of prospects including Wilde, the newly identified Cama prospect as well as the Burren oil discovery (up to c. 66 MMBO REC). The CPR also evaluated the contingent resource potential at Spanish Point and has attributed gross contingent resources that are in line with the previously reported volumes of up to c. 200 MMBOE REC.

ULYSSES Project

The ULYSSES Project, which commenced in 2008, assessed the natural gas storage and carbon sequestration potential of the Kish Bank Basin, offshore Dublin. The initial phase of this new study, carried out by AMEC plc, which included planning, capacity modelling, infrastructural integration and gas sourcing, has confirmed that the construction of an offshore natural gas salt cavern storage facility at the ULYSSES location is both economically and technically feasible. A number of scenarios have been developed which have an associated range in capacity, off-take export rates and capital expenditure. Detailed technical data relating to the subsurface geology, which will be acquired through the drilling of the Dalkey Island exploration prospect, will also assist with the advancement of this project.

ENERGY AND THE ENVIRONMENT

The Company is committed to supplying energy in an environmentally responsible manner. Its ongoing exploration, development and production operations are carried out in compliance with all environmental rules and regulations.

2011 OUTLOOK

Providence is expecting a period of high activity in 2011. Within the exploration portfolio, the preparation for drilling at Dalkey Island and Dunquin will be a prime focus. On the development side, the key focus areas will be Barryroe and Hook Head, in the Celtic Sea, and Spanish Point and Burren, in the Porcupine Basin. From a production perspective, our attention will be firmly on Singleton and the ongoing production enhancement programme, including the planned drilling programme for later this year and the longer term plans for Baxter's Copse.

Providence has an extensive array of production, development and exploration assets, and continues to be partnered by a number of world class operators. With worldwide demand for energy continuing to grow unabated, the Company sees its upcoming drilling activities as real opportunities to create incremental value for its shareholders, and we continue to believe that Providence represents a truly unique investment platform.

Tony O'Reilly
Chief Executive **May 16, 2011**

Providence Resources Plc
Proforma Consolidated statement of financial position
At 31 December 2010

The unaudited proforma statement of financial position below demonstrates the impact on the statement of financial position at 31 December 2010 as though the following two significant transactions occurring in 2011 had occurred on 31 December 2010:

a) In March 2011, the Group disposed of the US oil and gas asset portfolio. The proceeds, which amounted to €11.254 million, were used to discharge borrowings secured on the assets.
b) In March 2011, the Company placed 16.1 million shares at a price of £2.55 per share, raising €42.275m after costs.

This unaudited proforma statement of financial position is for shareholder information purposes only and will not form part of the audited statutory financial statements when they are completed.

	At 31 December 2010	Sale of US asset portfolio	Share issue	Proforma At 31 December 2010
	€'000	€'000	€'000	€'000
Assets				
Total non-current assets	**71,153**	**-**	**-**	**71,153**
Other current assets	**6,824**	-	-	6,824
Cash	**9,171**	-	45,275	54,446
	15,995	-	45,275	61,270
Assets classified as held for sale	**13,574**	**(13,574)**	**-**	**-**
Total current assets	**29,569**	**(13,574)**	**45,275**	**61,270**
Total assets	**100,722**	**(13,574)**	**45,275**	**132,423**
Liabilities				
Other non-current liabilities	108,573	(8,576)	-	99,997
Total non-current liabilities	**108,573**	**(8,576)**	**-**	**99,997**
Other current liabilities	13,567	(2,678)	-	10,889
Liabilities classified as held for sale	2,320	(2,320)	-	-
Total current liabilities	**15,887**	**(4,998)**	**-**	**10,889**
Total liabilities	**124,460**	**(13,574)**	**-**	**110,886**
Total assets less total liabilities	**(23,738)**	**-**	**45,275**	**21,537**
Equity				
Total equity attributable to equity holders of the company	**(23,738)**	**-**	**45,275**	**21,537**

PROVIDENCE RESOURCES Plc

Consolidated income statement

For the year ended 31 December 2010

	2010 €'000	2009 €'000 (re-presented*)
Continuing operations		
Revenue	**11,080**	11,783
Cost of sales	**(4,660)**	(4,063)
Gross profit	**6,420**	7,720
Administration expenses	**(3,578)**	(3,368)
Pre-licence expenditure	**(113)**	(734)
Impairment of exploration and evaluation assets	**(1,263)**	(155)
Operating profit/(loss)	**1,466**	3,463
Finance income	**228**	201
Finance expense	**(7,659)**	(10,057)
Loss before income tax	**(5,965)**	(6,393)
Income tax expense	**(3,841)**	(936)
Loss for the year from continuing operations	**(9,806)**	(7,329)
Discontinued operations		
Loss from discontinued operations (net of income tax)	**(31,795)**	(2,450)
Loss for the financial year	**(41,601)**	(9,779)
Loss per share (cent)		
Basic loss per share	**(125.30)**	(36.03)
Diluted loss per share	**(125.30)**	(36.03)

* 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 Plc

Consolidated statement of comprehensive income

For the year ended 31 December 2010

	2010 €'000	2009 €'000
Loss for the financial year	**(41,601)**	(9,779)
Foreign exchange translation differences	**(216)**	2,754
Net change in fair value of cash flow hedges transferred to income statement	**(1,539)**	(6,515)
Cashflow hedges – net fair value (loss)	**(2,046)**	(4,432)
- related deferred tax	**918**	3,312
Total income and expenses recognised in other comprehensive income	**(2,883)**	(4,881)
Total comprehensive expense for the year	**(44,484)**	(14,660)

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

PROVIDENCE RESOURCES Plc

Consolidated statement of financial position

At 31 December 2010

	2010 €'000	**2009 €'000**
Assets		
Exploration and evaluation assets	**10,140**	9,232
Development and production assets	**57,407**	92,126
Property, plant and equipment	**123**	168
Derivative instruments	**75**	567
Deferred tax	**3,408**	6,510
Total non-current assets	**71,153**	108,603
Trade and other receivables	**3,568**	5,471
Derivative instruments	**736**	1,812
Restricted cash	**2,520**	2,520
Cash and cash equivalents	**9,171**	1,012
	15,995	10,815
Assets classified as held for sale	**13,574**	-
Total currents assets	**29,569**	10,815
Total assets	**100,722**	119,418
Equity		
Share capital	**15,058**	14,609
Capital conversion reserve fund	**623**	623
Share premium	**86,918**	71,836
Singleton revaluation reserve	**2,919**	3,066
Convertible bond – equity portion	**2,944**	2,944
Foreign currency translation reserve	**(2,122)**	(1,906)
Share based payment reserve	**3,537**	2,519
Loan warrant reserve	**5,641**	5,641
Cashflow hedge reserve	**(3,255)**	(588)
Retained deficit	**(136,001)**	(94,547)
Total equity attributable to equity holders of the Company	**(23,738)**	4,197
Liabilities		
Loans and borrowings	**83,109**	80,786
Decommissioning provision	**3,551**	4,792
Deferred tax	**18,912**	15,120
Derivative instruments	**3,001**	2,456
Total non-current liabilities	**108,573**	103,154
Trade and other payables	**8,911**	11,298
Loans and borrowings	**2,678**	-
Derivative instruments	**1,978**	769
	13,567	12,067
Liabilities classified as held for sale	**2,320**	-
Total current liabilities	**15,887**	12,067
Total liabilities	**124,460**	115,221
Total equity and liabilities	**100,722**	119,418

PROVIDENCE RESOURCES Plc

Consolidated statement of changes in Equity

For the year ended 31 December 2010

	Share capital €'000	**Capital conversion reserve fund €'000**	**Share premium €'000**	**Singleton revaluation €'000**	**Foreign currency translation €'000**	**Share based payment €'000**	**Loan warrants €'000**	**Convertible bond – equity portion €'000**	**Cashflow hedge €'000**	**Retained deficit €'000**	**Total €'000**
At 1 January 2009	14,172	623	56,309	3,206	(4,660)	1,597	5,641	2,944	7,047	(84,908)	**1,971**
Loss for financial year	-	-	-	-	-	-	-	-	-	(9,779)	**(9,779)**
Currency translation	-	-	-	-	2,754	-	-	-	-	-	**2,754**
Share based payment	-	-	-	-	-	922	-	-	-	-	**922**
Transfer from Singleton revaluation reserve	-	-	-	(140)	-	-	-	-	-	140	**-**
Cashflow hedge	-	-	-	-	-	-	-	-	(7,635)	-	**(7,635)**
Transactions with owners, recorded directly in equity											
Shares issued in year	437	-	15,527	-	-	-	-	-	-	-	**15,964**
At 31 December 2009	**14,609**	**623**	**71,836**	**3,066**	**(1,906)**	**2,519**	**5,641**	**2,944**	**(588)**	**(94,547)**	**4,197**
Loss for financial year	-	-	-	-	-	-	-	-	-	(41,601)	**(41,601)**
Currency translation	-	-	-	-	(216)	-	-	-	-	-	**(216)**
Share based payments	-	-	-	-	-	1,018	-	-	-	-	**1,018**
Transfer from Singleton revaluation reserve	-	-	-	(147)	-	-	-	-	-	147	**-**
Cashflow hedge	-	-	-	-	-	-	-	-	(2,667)	-	**(2,667)**
Transactions with owners, recorded directly in equity											
Shares issued in year	449	-	15,082	-	-	-	-	-	-	-	**15,531**
At 31 December 2010	**15,058**	**623**	**86,918**	**2,919**	**(2,122)**	**3,537**	**5,641**	**2,944**	**(3,255)**	**(136,001)**	**(23,738)**

PROVIDENCE RESOURCES Plc

Consolidated statement of cash flows

For the year ended 31 December 2010

	2010 **€'000**	2009 €'000
Cash flows from operating activities		
Loss before income tax for the year	**(33,522)**	(10,948)
Adjustments for:		
Depletion ,depreciation and amortisation	**8,099**	7,381
Loss on abandonment of development and production assets	**-**	1,606
Impairment of exploration and evaluation assets	**1,263**	155
Impairment of development and production assets	**26,806**	-
Finance income	**(228)**	(201)
Finance expense	**7,659**	10,057
Equity settled share payment charge	**1,018**	922
Foreign exchange	**703**	1,406
Change in trade and other receivables	**1,903**	(59)
Change in restricted cash	**-**	10,507
Change in trade and other payables	**(2,387)**	(16,340)
Interest paid	**(8,229)**	(8,078)
Tax paid	**(48)**	(576)
Net cash inflow / (outflow) from operating activities	**3,037**	(4,168)
Cash flows from investing activities		
Interest received	**228**	201
Acquisition of exploration and evaluation assets	**(1,714)**	(251)
Acquisition of development and production assets	**(8,998)**	(11,710)
Acquisition of property, plant and equipment	**-**	(76)
Disposal of available for sale assets	**-**	159
Net cash used in investing activities	**(10,484)**	(11,677)
Cash flows from financing activities		
Proceeds from issue of share capital	**16,522**	16,980
Share capital issue costs	**(991)**	(1,016)
Payment of loan transaction costs	**406**	(2,535)
Repayment of loans and borrowings	**(406)**	(56,318)
Proceeds from drawdown of loans and borrowings	**-**	49,778
Net cash from financing activities	**15,531**	6,889
Net increase/(decrease) in cash and cash equivalents	**8,084**	(8,956)
Cash and cash equivalents at 1 January	**1,012**	9,664
Effect of exchange rate fluctuations on cash and cash equivalents	**75**	304
Cash and cash equivalents at 31 December	**9,171**	1,012

PROVIDENCE RESOURCES Plc

Notes

Note 1 - Operating Segments

For the year ended 31 December 2010

Operating segment information is presented in the consolidated financial statements in respect of the Group's geographical segments which represent the financial basis by which the Group manages its business. Information regarding the results of each reportable segment is included below. Performance is measured based on segment result and total asset value as included in the internal management reports that are reviewed by the Group's board of directors, which management believe is the most relevant information when evaluating the results of certain segments relative to other entities that operate within that industry. There are no significant inter segment transactions.

The Group's revenues and profits for the year arise from oil and gas production in the UK and the US.

Segment Revenue		
Revenue by source/destination	**2010**	2009
	€'000	€'000
UK	**11,080**	11,783
US (discontinued operations)	**10,872**	9,336
Revenue	**21,952**	21,119
Segment net loss for the year	**2010**	2009
	€'000	€'000
UK – producing assets	**5,742**	5,431
UK – exploration assets	**(225)**	-
Republic of Ireland – exploration assets	**(1,131)**	(1,352)
Africa – development and production assets	**(366)**	122
US – producing assets (discontinued operations)	**(27,557)**	(4,555)
Corporate expenses	**(2,556)**	(738)
Operating loss for the year	**(26,093)**	(1,092)
Finance expense	**(7,659)**	(10,057)
Finance income	**228**	201
Tax (charge)/ credit for the year	**(8,077)**	1,169
Group loss for the year	**(41,601)**	(9,779)
Segment assets	**2010**	2009
	€'000	€'000
UK – producing assets	**48,382**	32,954
Republic of Ireland – exploration assets	**10,140**	11,084
Africa – development and production assets	**12,480**	11,422
US – producing assets (discontinued operations)	**15,984**	51,274
Group assets, principally derivative assets, deferred tax , restricted cash and cash equivalents	**13,736**	12,684

Total assets	**100,722**	119,418
Segment liabilities		
UK - producing	**(27,646)**	(16,433)
Republic of Ireland – exploration assets	**(5,308)**	(6,167)
Africa – development and production assets	**-**	(597)
US – producing assets (discontinued operations)	**(4,205)**	(6,437)
Group liabilities , principally deferred tax and loans and borrowings	**(87,301)**	(85,587)
Total liabilities	**(124,460)**	(115,221)
Capital expenditure	**2010**	2009
	€'000	€'000
UK – producing assets	**8,086**	9,845
- exploration assets	**225**	25
	8,311	9,870
US – producing assets (discontinued operations)	**-**	303
Republic of Ireland – exploration assets	**1,489**	87
Africa – development and production assets	**911**	1,931
Total capital expenditure	**10,711**	12,191
Depletion and decommissioning charge		
UK – producing assets	**2,789**	1,942
US – producing assets (discontinued operations)	**5,194**	5,338
	7,983	7,280
Impairment charge		
Republic of Ireland – exploration assets	**1,038**	62
UK – exploration assets	**225**	25
US – development and production assets (discontinued operations)	**26,806**	68
	28,069	155

Note 2 - Related party transactions

Mr Tony O'Reilly, Chief Executive, has a service contract effective from 1 September 2005 in respect of services in the Republic of Ireland. In addition, a company beneficially owned by him, Kildare Consulting Limited, has entered into a contract for the provision of services to the Company outside the Republic of Ireland, also effective from 1 September 2005. Both contracts are for a two year rolling term and were extended in September 2007 and again in September 2009. The emoluments and fees payable under the abovementioned contracts amount to €460,000 in 2010, inclusive of all benefits.