

19 May 2008



**PROVIDENCE RESOURCES P.I.c.
PRELIMINARY RESULTS FOR THE
YEAR ENDED 31 DECEMBER 2007**

2007 FINANCIAL HIGHLIGHTS

- Turnover up 217% to €4.333 million (2006: €1.997 million)
- Profit for the year, after exceptional items, of €0.569 million (2006: loss €1.623 million)
- \$250 Million Revolving Credit Facility secured with Macquarie Ban
- Share Placing raises €25.774 million

RECENT OPERATIONAL HIGHLIGHTS

- Agreement reached to acquire a portfolio of assets in Gulf of Mexico from Triangle, trebling production up to 2,000 BOEPD
- Arctic 2 Rig secured for summer '08 Celtic Sea multi-well drilling programme
- 13 new blocks awarded to Providence, ExxonMobil and Sosina over the Drombeg prospect in the Porcupine Basin
- New gas discovery/development at Galveston A 155 in the Gulf of Mexico
- Additional acreage awarded to Providence, CMI and Sosina adjacent to Spanish Point
- Successful appraisal well drilled at AJE-4 in OML 113, offshore Nigeria
- Strategic joint venture on future gas storage initiatives in Ireland with Star Energy

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

"2007 was a highly successful year both operationally and financially for the Company and its shareholders and I am pleased to report that 2008 has started off even better.

The Company was in a strong position during the year to take advantage of a number of opportunities. In particular, I would highlight the acquisition of the majority stake in the Singleton oilfield, substantially increasing daily oil production, and the discovery of oil at Hook Head in the Celtic Sea. The Company also restructured the business through a share placing in April 2007 and a new \$250 million financing facility with Macquarie Bank Ltd (“Macquarie”) in November 2007. These developments will facilitate the growth and progression of its extensive portfolio of interests in the UK, Ireland, Africa and the U.S.A.

Notable events so far in 2008 include the successful drilling of a well at Galveston A155 in the Gulf of Mexico and at AJE 4 in OML 113, offshore Nigeria, both of which have substantially exceeded our pre-drill expectations. The Company has further consolidated its acreage position offshore Ireland and most importantly, in a very competitive market, the Company has secured the GlobalSantaFe Arctic 2 rig for its upcoming summer drilling campaign in the Celtic Sea.

The recent proposed acquisition of the portfolio of assets in the Gulf of Mexico is another major milestone for the Company, taking the combined daily production up to ~ 2,000 BOEPD. The combination of internally generated production cash flow, which more than covers the Company’s base operating activities, the new Macquarie facility and other general financing options means that the Company will be appropriately financed to continue to advance its extensive portfolio of appraisal, development and exploration assets.

The Company looks forward to advancing on behalf of its shareholders its appraisal / development projects for 2008. These projects include the multi-well drilling programme scheduled for Hook Head/ Dunmore for this summer. The success of the recently drilled Galveston A-155 well has resulted in the Operator considering the installation of a purpose built production platform to allow for the anticipated production rates, which are now forecast to exceed original projections. Additionally, following the drilling of AJE 4, the Company, together with its partners, is now examining all options to maximise value from this significant oil and gas field.

Finally, the Company will, in conjunction with its partners, look to advance the exploration and development potential of its 4 major assets off the west coast of Ireland at Dunquin, Drombeg, Goban Spur and Spanish Point/Burren.

Providence has a very clear strategy, with solid production cash flow businesses, exciting appraisal and development projects, and high impact exploration projects. We look forward to the future with great excitement and enthusiasm.”

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FINANCIAL HIGHLIGHTS

Financial Year Results

European Union (EU) law and the IEX and AIM stock exchange rules require that the Group's annual consolidated financial statements for 2007 be prepared in accordance with IFRS's adopted by the EU. Accordingly, the 2007 consolidated financial statements, together with the 2006 comparatives, have been adapted and transitioned, on a consistent basis, from Irish GAAP to IFRS.

Turnover for the year ended 31 December 2007 was up 217% to €4,333,000 (2006: €1,997,000). The majority of the revenues for the year came from the Company's interest in the producing UK onshore Singleton oil field. In November, 2007, the Company closed the transaction which saw it increase its beneficial interest in Singleton from 20% to 99.125%. The Company also derived some revenue from its 5% interest in the High Island A-268 field which commenced operations in August 2007.

Revenues benefited from the higher oil price in 2007 with the average oil price per barrel at US\$72 compared with US\$65 in 2006. An operating profit of €116,000 (before exceptional items) was recorded in 2007 (2006: loss of €698,000). The Exceptional items, which impacted the 2007 accounts included a.) a charge of €3.604 million for the expensing of the Macquarie financing costs, b.) a charge of €0.380 million for the impairment on available for sale assets, c.) a credit of €4.351 million for negative goodwill that arose from the acquisition of the majority stake in the Singleton field, and d.) a credit of €0.718 million relating to the reduction of the Helvick decommissioning provision following the farm out of a 56.5% interest in the Celtic Sea asset. The negative goodwill credit arises due to a combination of strengthening long term oil price scenarios and increasing recoverable reserves at Singleton as of the acquisition completion date (November 2007) relative to the purchase price agreed earlier in 2007. The net impact of these items, all of which were non-cash, was a credit of €1.085 million. Factoring in the exceptional items resulted in a profit on ordinary activities before tax of €1.489 million (2006: loss of €0.937 million) and an after tax profit of €569,000 (2006: loss of €1.623 million). Shareholders' funds increased to €43.932 million (2006: €12.823 million). Fully diluted earning per share was 0.02 cents (2006: loss of 0.07 cents).

Financing

In April 2007, the Company placed 368.2 million new ordinary shares at Euro 7.0 cents per share, raising gross proceeds of approximately €25.774 million before expenses (the "Placing") through Cenkos Securities plc. The proceeds of this Placing were allocated to the 2007 appraisal drilling of Hook Head, the drilling of a fourth well on the AJE project in Nigeria and general working capital purposes.

In November 2007, the Company announced a US\$ 250 million financing facility with the specialist energy bank, Macquarie Bank. This revolving credit facility allowed the Company to re-finance its €50 million revolving credit facility. As before, this larger facility will allow the Company to pursue investment and development opportunities, with financing secured on any assets to be acquired and/or to be developed. The Company utilised US \$15.5 million of the Macquarie facility for the acquisition of the majority stake in Singleton.

OPERATIONAL HIGHLIGHTS - PRODUCTION

Agreed Offer to Acquire Triangle Oil & Gas Portfolio in Gulf of Mexico (100%)

- Acquisition Price of \$67.5 million
- Net Production to Providence at 1,300 BOEPD
- Significant upside potential
- Financed through Macquarie Facility

The Company recently announced that it has agreed to acquire 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 (approx. c €43.5 million). The transaction is subject to regulatory approvals.

The portfolio of assets to be acquired represents all of Triangle's material hydrocarbon assets and comprises interests in 8 producing fields and 2 development assets. Current net production is circa 6 MMSCFGD and 300 BOPD (~1,300 BOEPD) net to Providence. There are also a number of undeveloped discoveries as well as exploration opportunities within the portfolio. The acquisition is being financed by Macquarie.

Singleton (99.125% interest) – Onshore, United Kingdom

- Acquired 79.125% stake from Star Energy
- Agreed programme with Star on CNG Development
- Independent Audit - Upgraded Resources/Reserves
- Production of 510 BOPD + 1.2 MMSCFD
- Future production drilling planned

During 2007, the Singleton Field, in which the Company now has a 99.125% interest, produced an average of 510 BOPD. The Company announced the acquisition of the 79.125% stake from Star Energy in April 2007 and the transaction closed in November 2007. The cost was \$15.5 million and was financed through the Macquarie facility. As part of the transaction, the vendor, Star Energy, and Providence agreed a programme to handle the field's surplus gas production. The proposed Singleton Compressed Natural Gas (CNG) Project is planned to unlock the full potential value from up to 200 BOEPD of associated gas currently being produced at Singleton. In addition, the CNG facility should also allow increased oil production from existing and future development wells.

Further work continues to be carried out to evaluate methodologies to increase production rates and financial returns from the Singleton Field. A recent third party independent field audit, (prepared by RPS Energy) has established 2P net reserves as of 1 January 2008 of 3.1 MMBOE and 3P reserves of 7.5 MMBOE, which is a net increase of 614% and 1,140% respectively as of 1 January 2007 (this comprises both the increases in equity ownership and technically assignable reserves). With 71 million stock tank barrels of oil initially in place (STOIIP), and with less than 4 million barrels having been recovered to date, the Company believes that there are many opportunities to further enhance field recovery rates. Accordingly, it is currently reviewing plans for future development well drilling in Q4 2008 or Q1 2009, the precise time dependant on equipment availability.

High Island A-268 (5% Interest) – Gulf of Mexico, United States

- 2 wells successfully drilled in 2007
- Brought into production late August 2007
- Average net production to date of 76 BOEPD

During 2007, the Company, and its partners, successfully drilled and developed the High Island A-268 project. Having made the initial discovery in January 2007, the quick development cycles associated with assets in the Gulf of Mexico meant that the Company, and its partners, were able to bring the field into production (plus drill a second production well) within 8 months.

With reserves of circa 6.6 BCFE, this field was the Company's first investment in the Gulf of Mexico and success here has played an important role in our decision making regarding the recent Triangle acquisition. Field net production to Providence has averaged 76 BOEPD from field start-up and production is expected to be increased over the next few months when the Operator completes a planned work-over on one of the wells.

OPERATIONAL HIGHLIGHTS - DEVELOPMENT/APPRAISAL

Hook Head (43.5% interest) - Celtic Sea, Ireland

- Discovery of oil at Hook Head Prospect
- GSF Arctic 2 Rig Secured
- Multi-well programme for summer 2008
- Dunmore possibly to be drilled

In October 2007, the Company, together with its partners, announced that drilling had confirmed a significant oil accumulation at Hook Head in the Celtic Sea. Unfortunately, whilst key reservoir and fluid data were acquired during the initial well flowing period, down-hole mechanical conditions, which were primarily related to the integrity of the casing string cement bond, delayed the implementation of the full test programme. This, combined with time limitations relating to the rig contract, precluded the execution of a full well test.

Suitably encouraged by this development, the partners agreed to move forward with the Hook Head appraisal programme and in Q1 2008, the Company announced that it had secured the GlobalSantaFe Arctic 2 rig for a 2 firm plus 1 contingent well drilling programme for this summer. Drilling is expected to commence in July/August 2008 and the partners may also elect to drill not only Hook Head, but also an appraisal well on an adjacent oil discovery, called Dunmore.

Galveston A 155 (10.8%) – Gulf of Mexico

- Drilled in April 2008
- New platform to be installed
- Fast track development planned

In April 2008, the Company announced that Providence and its partners had made a new gas discovery on Galveston Island Block A-155 in the U.S. Gulf of Mexico. Providence holds a 10.8% working interest before project pay-out. This new field is located c. 100 kilometres off the US coast. Having exceeded pre-drill expectations (>13 BCF), the partners immediately elected to fast-track the development. Due to the better than expected drilling results, the Operator is now considering the installation of a purpose built production platform allowing for increased production rates. It is anticipated that the field will be on stream by Q1 2009.

AJE, OML 113 (5.0% Interest) – Offshore Western Nigeria

- New partnership formed
- Drilled in March 2008
- AJE 4 post well analysis being completed
- Development options being assessed for the AJE Field

The Company joined the AJE Consortium in 2005 through the drilling of the AJE 3 well where it held a 7.03% interest. In 2007, this original partnership was dissolved by the Operator, Yinka Folawiyo, because the partnership had not met their contractual obligations to drill a second well within a specified time frame. Accordingly, the Operator assembled a new partnership group and Providence was subsequently invited into this partnership on new equity terms. This new partnership, which includes Chevron and Vitol, immediately set about drilling the AJE 4 well, which commenced in February 2008.

In April 2008, the Company confirmed that the AJE 4 well had been successful and that it had exceeded pre-drill expectations, encountering Cretaceous aged hydrocarbon bearing sections, specifically, a gas condensate and oil bearing Turonian reservoir with oil bearing Cenomanian intervals. The partnership also drilled a deeper exploration target, the results of which have not been released to date. The AJE partnership is now examining the post drill results, in the context of potential field development scenarios and a further update on forward plans is expected later this year. Providence is also examining its options with regard to this asset.

Spanish Point (72% interest) – Porcupine Basin, Ireland

- Farm out process ongoing
- Additional acreage awarded under 2007 Porcupine Licensing Round

The Company continues its farm out process on the Spanish Point project. In March, the Company was awarded additional acreage adjacent to the Spanish Point discovery under the Irish government's 2007 Porcupine Licensing Round. It is envisaged that any farm out of Spanish Point will also include the Burren oil discovery as well as the new adjacent blocks, which may contain extensions to the Spanish Point and Burren hydrocarbon systems.

OPERATIONAL HIGHLIGHTS – EXPLORATION

Dunquin (16% interest) – Porcupine Basin, Ireland

- ExxonMobil takes over Operatorship

In March 2008, the Company announced that by agreement, ExxonMobil, would take over 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, and as had been anticipated following ExxonMobil's entry to the Dunquin Licence in February 2006, ExxonMobil advised the Company of their intention to farm out a portion of their equity of Dunquin. This process is presently underway. Under the licence terms, a firm well is required to be committed on Dunquin by November 2008.

Goban Spur (16% interest) – Goban Spur Basin, Ireland

Seismic processing was carried out by the partnership following on from the licensing of 500 km of long offset 2-D seismic survey that was carried 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. As a result of this work, a number of significant leads and prospects have been identified in the area and these are presently being integrated within a broader petroleum systems analysis of the South Porcupine and Goban Spur Basins which include the Dunquin and Drombeg licences.

Drombeg (16% interest) – Goban Spur Basin, Ireland

In March 2008, the Company announced that it has been awarded 13 new blocks with its Dunquin 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 metres and contain the Drombeg prospect. ExxonMobil, as Operator, recently confirmed that a 2-D seismic survey would commence over the acreage in June 2008. This seismic programme will entail the acquisition of up to 3,000 line kilometres of long offset 2-D seismic data. These data should help to better define the prospectivity of the Drombeg area.

OTHER

Joint Study Report with Island Oil & Gas

In September 2006, Providence announced that it had agreed to work together with Island Oil & Gas Plc to develop a common strategy for the joint development of both companies' Celtic Sea oil assets based on a shared floating production facility. This work is ongoing.

MOU with Star Energy

As part of the Singleton transaction, Providence and Star Energy agreed additional matters, including the CNG Agreement. The two companies also agreed a strategic joint venture on future gas storage initiatives in Ireland. Providence sees gas storage as a potential 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. The companies have recently begun to evaluate various opportunities offshore Ireland.

ENERGY AND THE ENVIRONMENT

The Company believes that it has a role to play in addressing energy supply 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 2008 with an active drilling programme, the consolidation of our recent acquisition of production assets and the completion of ongoing farm-out discussions on a number of its assets. The Company continues to actively evaluate new opportunities, in both existing areas in which it operates and new territories that fit the Company's stated strategy of having a balanced portfolio of production, appraisal/development and high impact exploration assets.

We restate the belief that this tightly managed portfolio of assets strategy gives Providence shareholders a unique investment platform. We believe that this strategy, together with the increased and stable commodity price environment and the ever-growing global need for secure and reliable sources of energy, means that Providence shareholders can look to the future with real optimism.

Tony O'Reilly
Chief Executive

19 May, 2008

ASSETS BY REGION

<u>Asset</u>	<u>Location</u>	<u>Operator</u>	<u>%</u>	<u>Type</u>
UNITED STATES				
High Island A 268	Gulf of Mexico, U.S.A.	Peregrine	5.0%	Oil and gas production
Galveston A 155	Gulf of Mexico, U.S.A.	Peregrine	10.8%	Gas development
Ship Shoal SS 252*	Gulf of Mexico, U.S.A.	SPN	50.0%	Oil and gas production
Ship Shoal SS 253*	Gulf of Mexico, U.S.A.	SPN	50.0%	Oil and gas production
Ship Shoal SS 267	Gulf of Mexico, U.S.A.	SPN	50.0%	Oil and gas development
Main Pass 19	Gulf of Mexico, U.S.A.	Petsec	45.0%	Oil and gas production
Mobile MO 861	Gulf of Mexico, U.S.A.	Triangle	50.0%	Gas production
East Cameron EC 257	Gulf of Mexico, U.S.A.	SPN	12.5%	Gas production
West Cameron WC 333	Gulf of Mexico, U.S.A.	Mariner	32.5%	Gas production
Vermillion VR 60	Gulf of Mexico, U.S.A.	SPN	50.0%	Gas production
Ridge	Onshore Louisiana, U.S.A	Brammer	30.0%	Gas production
Main Pass 89	Gulf of Mexico, U.S.A.	Beryl	17.5%	Gas production
*Earned interest through well bore				
** Back-in rights for 25% of 70% after pay out				
IRELAND				
Pegasus	NE Celtic Sea, Ireland	Providence	100.0%	Oil and gas exploration
Orpheus	NE Celtic Sea, Ireland	Providence	100.0%	Oil and gas exploration
Dionysus	NE Celtic Sea, Ireland	Providence	100.0%	Oil and gas exploration
Dragon (part)	NE Celtic Sea, Ireland	Marathon	c. 25.0%	Gas development
Hook Head	Celtic Sea, Ireland	Providence	43.5%	Oil discovery
Dunmore	Celtic Sea, Ireland	Providence	43.5%	Oil discovery
Helvick	Celtic Sea, Ireland	Providence	43.5%	Oil discovery
Ardmore	Celtic Sea, Ireland	Providence	43.5%	Gas discovery
Blackrock	Celtic Sea, Ireland	Providence	43.5%	Oil discovery
Spanish Point	Porcupine Basin, Ireland	Providence	72.0%	Gas development
Burren	Porcupine Basin, Ireland	Providence	72.0%	Oil discovery
FEL 4/08	Porcupine Basin, Ireland	Providence	72.0%	Oil and gas exploration
Dunquin	Porcupine Basin, Ireland	ExxonMobil	16.0%	Oil and gas exploration
Drombeg	Porcupine Basin, Ireland	ExxonMobil	16.0%	Oil and gas exploration
Goban Spur	Porcupine Basin, Ireland	Providence	16.0%	Oil and gas exploration
UNITED KINGDOM				
Singleton	Onshore, U.K.	Providence	99.1%*	Oil and gas production
West Lennox	Offshore Morecambe Bay, U.K.	CMI	10.0%	Oil discovery
Crosby	Offshore Morecambe Bay, U.K.	CMI	10.0%	Oil and gas exploration
110/9b(p) & 110/14b(p)	Offshore Morecambe Bay, UK	CMI	25.0%	Oil and gas exploration
* 99.125%				
NIGERIA				
AJE	Offshore Nigeria, Africa	YFP/Chevron	5.0%	Oil and gas development

About Providence

Providence Resources P.l.c. is an independent oil and gas exploration company traded on the AIM (London) and IEX (Dublin) markets. The Company was founded in 1997, but with roots going back to 1981 when its 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 (offshore), the UK (onshore and offshore), the Gulf of Mexico (USA) and Africa (offshore Nigeria). Providence's portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically.

Comprehensive information on Providence and its oil and gas portfolio, including its 2005 AIM Admission document, 2006 Annual Report, Interim Report 2007 and recent press releases are all available from Providence's website at www.providenceresources.com

Review

This Preliminary Announcement of Results for the year ended 31 December 2007 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 both the Energy Institute and the Petroleum Exploration Society of Great Britain. He has 18 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

STOIIP	Stock Tank Oil Initially In Place
BOPD	Barrels of Oil Per Day
MMSCFGD	Million Standard Cubic Feet of Gas Per Day
BOE	Barrels of Oil Equivalent (1 BOE = 6,000 SCFG)
MMBOE	Millions of Barrels of Oil Equivalent
BOEPD	Barrels of Oil Equivalent Per Day
SCFG	Standard Cubic Foot of Gas
BCF	Billion Standard Cubic Feet of Gas
BCFE	Billion Standard Cubic Feet of Gas Equivalent
GAAP	Generally Accepted Accounting Practice
IFRS	International Financial Reporting Standards
2P Reserves	Proven plus probable reserves
3P Reserves	Proven plus probable plus possible

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

Providence Resources P.l.c.
 Consolidated income statement
 for the year ended 31 December 2007

	Before Exceptional items 2007 €000	Exceptional items 2007 €000	Total 2007 €000	Total 2006 €000
Continuing operations				
Revenue	4,333	-	4,333	1,997
Cost of sales	(1,477)	718	(759)	(549)
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Gross profit	2,856	718	3,574	1,448
Administration expenses	(2,003)	-	(2,003)	(1,315)
Pre-licence expenditure	(737)	-	(737)	(831)
Negative goodwill on acquisition of Singleton	-	4,351	4,351	-
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Operating profit/(loss)	116	5,069	5,185	(698)
Finance income	539	-	539	78
Finance expenses	(251)	(3,984)	(4,235)	(317)
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Profit/(loss) before income tax	404	1,085	1,489	(937)
Income tax expense	(920)	-	(920)	(686)
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Profit/(loss) for the year from continuing operations	(516)	1,085	569	(1,623)
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Earnings/(loss) per share (cent)				
Basic earnings/(loss) per share			0.02	(0.08)
Diluted earnings/(loss) per share			0.02	(0.07)
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Providence Resources P.l.c.

Consolidated balance sheet

At 31 December 2007

	2007 €000	2006 €000
Assets		
Exploration and evaluation assets	30,980	13,016
Development and production assets	25,004	1,318
Property, furniture and equipment	142	167
Available for sale equity instruments	872	-
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Total non-current assets	56,998	14,501
	<hr/>	<hr/>
Trade and other receivables	4,534	2,479
Cash and cash equivalents	11,396	4,481
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Total current assets	15,930	6,960
	<hr/>	<hr/>
Total assets	72,928	21,461
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Equity		
Share capital	14,162	13,785
Share premium	55,239	30,956
Singleton revaluation reserve	3,357	-
Capital conversion reserve fund	623	623
Foreign currency translation reserve	(217)	95
Share based payment reserve	968	398
Macquarie loan warrant reserve	3,666	1,441
Retained earnings	(33,866)	(34,475)
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Total equity attributable to equity holders of the Company	43,932	12,823
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Liabilities		
Loans and borrowings	9,139	3,588
Decommissioning provision	1,113	1,626
Deferred tax	3,983	686
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Total non-current liabilities	14,235	5,900
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Trade and other payables	14,761	2,738
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Total liabilities	28,996	8,638
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Total equity and liabilities	72,928	21,461
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Providence Resources P.l.c.
Consolidated statement of cash flows
for the year ended 31 December 2007

	2007 €000	2006 €000
Cash flows from operating activities		
Profit/(loss) before income tax for the year	1,489	(937)
<i>Adjustments for:</i>		
Depletion and depreciation	633	239
Change in Helvick decommissioning provision	(718)	-
Negative goodwill on Singleton acquisition	(4,351)	-
Finance income	(539)	(78)
Finance expense	4,235	317
Equity-settled share based payment charge	610	318
Change in trade and other receivables	(2,055)	(1,674)
Change in trade and other payables	9,493	808
Foreign exchange adjustments	(312)	95
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Net cash inflow/(outflow) from operating activities	8,485	(912)
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Cash flows from investing activities		
Interest received	539	78
Acquisition of exploration and evaluation assets	(17,964)	(2,111)
Acquisition of development and production assets	(2,619)	(145)
Acquisition of property, furniture and equipment	(30)	(160)
Acquisition of available for sale equity instruments	(1,252)	-
Acquisition of subsidiary undertaking	(9,263)	-
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Net cash used in investing activities	(30,589)	(2,338)
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Cash flows from financing activities		
Proceeds from issue of share capital	26,010	26
Payment of transaction costs	(1,350)	-
Repayment of loans and borrowings	(4,780)	(67)
Proceeds from drawdown of loans and borrowings	9,139	4,780
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Net cash from financing activities	29,019	4,739
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Net increase in cash and cash equivalents	6,915	1,489
Cash and cash equivalents at 1 January	4,481	2,992
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Cash and cash equivalents at 31 December	11,396	4,481
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