

21 April 2009



GULF OF MEXICO 2009 OPERATIONS UPDATE

- **Portfolio of 9 producing oil and gas assets as well as extensive exploration opportunities**
- **2009 work programme includes:**
 - **Reinstating hurricane compromised production**
 - **Further enhancing production rates**
 - **Evaluation of potential Q4 development drilling opportunities**
- **Providence net production increase estimated at 900 BOEPD by mid Q3, 2009**

Providence Resources P.l.c., the London (AIM) and Dublin (IEX) listed oil and gas exploration and production company, is pleased to provide an update on several positive developments within its portfolio of producing oil and gas interests 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 later in the year of the recent reduction in rig rates.

Re-instating Production Impacted by Hurricanes

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

Installation of the production platform at Galveston A-155 was performed in January 2009 and the wellbore completion was carried out during April 2009 using the Hercules 350 jack-up

drilling rig. A production flow-line will now be laid in May to connect the platform to the gas export infrastructure, with first gas production now expected in early Q3 at rates of up to c. 200 BOEPD net to Providence.

At Ship Shoal 253, all major remedial works on the topsides production facilities and platforms have now been effectively completed with some remaining sub-sea pipeline work still to be finalised. Repairs to third party export pipelines have taken longer than planned and it is therefore expected that production will 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. Plans are now being finalised to hook-up the HI A-268 wells (currently producing c. 30 BOEPD) to a compressor during Q2 to further maximise the field's production rate and reserves potential. In addition to the current producing zones, there are also gas bearing zones behind pipe in each of the wells which will be accessed in the future once the current producing zones have been fully depleted.

Enhancing Production Rates & Evaluating Drilling Opportunities

At Vermillion 60, a significant recompletion 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 within the next six weeks.

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 and rates.

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

“Over the past two years, we have built up a sizeable portfolio of oil and gas assets in the Gulf of Mexico. Unfortunately, last year's hurricanes severely impacted our production rates and development plans, but I am pleased that we have been able to react in a timely manner to re-instate production, as well as to bring on line new opportunities. The cumulative impact of the above measures should result in our daily production rates from our Gulf of Mexico portfolio increasing by some 900 BOEPD by mid Q3.

“Looking further ahead, Providence will continue to optimise its asset portfolio as well as looking at new opportunities in the region. On the drilling front, the Company is reviewing its extensive list of opportunities in light of the significant reduction in rig rates over the recent months.”

Contacts:

Providence Resources P.I.c.
Tony O'Reilly, Chief Executive

Tel: +353 1 219 4074

Powerscourt
Rory Godson/Elizabeth Rous

Tel: +44 (0) 207 250 1446

Murray Consultants
Pauline McAlester

Tel: +353 1 498 0300

Notes to Editors:

About Providence

Providence Resources P.I.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, the United Kingdom, 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 annual reports and recent press releases, is available from Providence's website at www.providenceresources.com

Review

This announcement has been reviewed and approved by John O'Sullivan, Exploration Manager of Providence Resources P.I.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

BOEPD Barrels of Oil Equivalent Per Day

BOPD Barrels of Oil Per Day

BOE Barrels of Oil Equivalent (1 BOE = 6,000 SCFG)

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

About Providence's Gulf of Mexico Interests

<u>Asset</u>	<u>Location</u>	<u>Operator</u>	<u>%</u>	<u>Type</u>
High Island A-268	Gulf of Mexico, U.S.A.	Peregrine	5.0%	Oil & gas production
Galveston A-155	Gulf of Mexico, U.S.A.	Peregrine	10.8%	Gas development
Ship Shoal 252/253/267*	Gulf of Mexico, U.S.A.	SPN	50.0%	Oil & gas production
Main Pass 19	Gulf of Mexico, U.S.A.	Petsec	45.0%	Oil & gas production
Mobile MO 861**	Gulf of Mexico, U.S.A.	Providence	50.0%	Gas (depleted)
East Cameron 257	Gulf of Mexico, U.S.A.	SPN	12.5%	Gas production
West Cameron 333	Gulf of Mexico, U.S.A.	Mariner	32.5%	Gas production
Vermillion 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

** MO 861 gas reserves are depleted and so an abandonment programme is being implemented

*** Back-in rights for 25% of 70% after pay out

GULF OF MEXICO

