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PROVIDENCE SECURES OPTION TO ENTER GAS STORAGE AND TRADING MARKETS

- **PROVIDENCE'S NEW SUBSIDIARY EIRGAS SECURES OPTION TO ACQUIRE 40% OF KINSALE HEAD ASSETS FROM PETRONAS**
- **RIGHT TO ACQUIRE 40% INTEREST ON SAME COMMERCIAL TERMS**
- **ASSETS INCLUDE PRODUCING GAS FIELDS AND GAS STORAGE/ TRADING ACTIVITIES**

Providence Resources P.L.C. ('Providence'), the AIM and IEX listed exploration and production company, is pleased to announce that its wholly owned subsidiary, EIRGAS Limited ('EIRGAS'), has been granted an Option (the "Option") to acquire a 40% of 100% operated interest in the Kinsale Head Area comprising Kinsale Head, South West Kinsale and the Ballycotton gas fields, as well as an 86.5 % interest in the gas producing Seven Heads field ("Kinsale Head"), located in the Celtic Sea, from Labuan Energy Corporation Limited, a wholly owned subsidiary of PETRONAS International Corporation Ltd. ('PICL') which is a wholly-owned overseas investment arm of Petroliaam Nasional Berhad ('PETRONAS'), the national oil company of Malaysia. EIRGAS is a special purpose vehicle established by Providence to invest in gas production, storage and trading opportunities offshore Ireland and in the United Kingdom.

The grant of the Option follows PETRONAS' purchase of a 100% interest in the Kinsale Head gas fields from Marathon Petroleum Venus Ltd. ('Marathon'), as first announced on December 17th, 2008 and concluded on April 17th, 2009 (the 'Transaction'). The Transaction had a total value of US\$ 180 million with an effective date of 1st January 2008.

Under the terms of the Option agreed between Providence and PETRONAS, (as negotiated and agreed with PICL's wholly-owned subsidiary, Labuan Energy Corporation Ltd.) EIRGAS has secured the right, exercisable at its discretion and subject to regulatory approval, to purchase a 40% stake in Kinsale Head within 3 months of June 15th, 2009

Commenting, Mr Tony O'Reilly, Chief Executive of Providence, said:

“We are delighted to have been able to agree this unique Option Agreement with PETRONAS. An investment in the Kinsale Head area not only allows us to combine our extensive operational experience offshore Ireland with their proven track record in gas production, storage and trading, but also gives us exposure to the technical resources of PETRONAS, one of the world’s largest oil and gas companies.

“Assuming that EIRGAS exercises its Option and the transaction completes as planned, not only will Providence’s attributable daily production double to over 4,000 BOEPD, but we will also gain exposure to existing and new gas storage and trading opportunities, which we see as a high potential future growth area. Additionally, the deal would also give EIRGAS an opportunity to potentially monetise gas from some of Providence’s adjacent gas discoveries in the Celtic Sea, as well as from third party fields.”

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Explanatory Notes

About EIRGAS Limited

EIRGAS Limited is a special purpose vehicle established to invest in gas production and gas storage opportunities offshore Ireland and the United Kingdom. EIRGAS is owned 100% by Providence.

About PETRONAS

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.

About the Transaction

On April 17th, 2009, Marathon (NYSE: MRO) announced that it had completed the sale of its wholly-owned subsidiary, Marathon Oil Ireland Ltd. ("MOIL") to PSE Ireland Ltd., an indirect wholly-owned subsidiary of PETRONAS. The transaction had a total value of US\$ 180 million with an effective date of 1st January 2008. This sale did not include Marathon's 18.5% interest in the Corrib natural gas development.

Under the terms of the sale, PSE Ireland acquired Marathon's 100% operated interest in the Kinsale Head Area comprising Kinsale Head, South West Kinsale and the Ballycotton gas fields, as well as an 86.5 % interest in the gas producing Seven Heads field, which is tied back to Kinsale, and a 100 % interest in the company's gas storage and trading business with current capacity of 8 BCF. As part of the transaction, PSE Ireland retains the 61 MOIL employees in Ireland.

Net production from these operations averaged approximately 30 MMCFGD of natural gas for the first quarter of 2009. Marathon's total net risked resource associated with these assets as of the end of 2007 was 62 BCF, of which 46.2 BCF, or 7.7 million BOE, were net proved reserves. 3P reserves were stated at 73.6 BCF.

2008 Financial Data on "MOIL" (in US Dollars)

Total Income (Revenue)	\$ 154.863 million
EBITDA	\$ 115.867 million
Net Profit	\$ 50.732 million
Total Assets	\$ 247.913 million
Total Liabilities	\$ 224.878 million
Total Net Assets	\$ 23.035 million

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 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 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.

Providence has an interest in 11 prospects in the Celtic Sea/NE Celtic Sea region, including a number of gas discoveries and prospects, as shown on the Assets by Region chart below.

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

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

BCF Billion Cubic Feet of Gas

BOEPD Barrels of Oil Equivalent per Day

MCFGD Thousand Cubic Feet of Gas per Day

MMCFGD Million Cubic Feet of Gas per Day

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

PROVIDENCE - ASSETS BY REGION

<u>Asset</u>	<u>Location</u>	<u>Operator</u>	<u>%</u>	<u>Type</u>
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
Kish	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
* 99.125%				
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				
NIGERIA				
AJE, OML 113	Offshore Nigeria	YFP/Chevron	5.0%	Oil and gas development