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KINSALE HEAD OPTION UPDATE

- **PROVIDENCE ADVISES PETRONAS THAT IT WILL NOT PROCEED TO COMPLETE THE KINSALE HEAD TRANSACTION**
- **UPFRONT INVESTMENT AT SIGNIFICANT VARIANCE TO ORIGINAL PROPOSAL AND IMPACTS ON DEAL ECONOMICS**

Providence Resources P.L.C. ('Providence'), the AIM and ESM listed exploration and production company, today announces that it has elected not to complete the acquisition of 40% of the Kinsale Head Assets because the upfront investment required is now at a significant variance to the original proposal and the economics of the deal have therefore changed materially. Providence has advised PETRONAS accordingly. An option, exercised in September 2009 with an initial cash deposit of \$3.8 million, gave Providence's wholly owned subsidiary, EIRGAS Limited ('EIRGAS'), the right to acquire up to a 40% interest in the 100% operated Kinsale Head Area (comprising the Kinsale Head, South West Kinsale and Ballycotton gas fields) and up to a 40% interest in the 86.5% operated adjacent producing Seven Heads gas field (collectively referred to as the "Kinsale Head Area assets"). The initial deposit (incl. interest) will now be refunded in full.

Under the terms of the Option Agreement, EIRGAS was to purchase its stake in the Kinsale Head Area assets on the same pro-rata terms by which PETRONAS acquired its stake from Marathon Oil Corporation in April 2009. That transaction had a total value of US\$ 180 million, with an effective date of 1st January 2008. The Closing of this transaction was subject to regulatory approval with its financing being met from cash resources and banking facilities.

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

"Due to a combination of updated financial data and increased funding requirements, it became clear that the transaction no longer represented the same opportunity for Providence shareholders. Whilst the long term economics of gas storage are compelling, and Kinsale represents a unique world class asset, the short term marked erosion in gas prices, combined with a different planned capital structure going forward, led us to withdraw."

“Looking at our overall exploration and development portfolio, and noting the longer term development nature represented by this opportunity, the board took a view that it was in the best interests not to proceed as it no longer presented the same financial dynamics for shareholders.”

“Having invested time and resources in assessing the gas storage business model, we firmly believe in its merits and through our EIRGAS subsidiary, we will continue to exploit the gas storage opportunities in our Dragon Field and Kish Bank licence interests.”

The Company’s AGM will take place on Wednesday, May 26th, 2010 and a market update will be provided shortly thereafter.

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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 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 ESM market. Providence’s active oil and gas portfolio includes interests in Ireland, the United Kingdom, the United States (Gulf of Mexico) and West Africa (Nigeria). Providence’s portfolio is balanced between production, appraisal and exploration assets, as well as being diversified geographically. Further information on Providence and its oil and gas portfolio, including Annual Reports are available from Providence’s website at www.providenceresources.com

Announcement

In accordance with the AIM Rules – Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and approved by John O’Sullivan, Exploration Manager of Providence Resources P.l.c.. John O’Sullivan is a Geology graduate of University College Cork and holds a Masters in Geophysics from The National University of Ireland, Galway. John also holds a Masters in Technology Management from the Smurfit Graduate School of Business at University College Dublin and is presently completing a dissertation leading to a PhD in Geology at Trinity College, Dublin. John is a Fellow of the Geological Society and a member of the Petroleum Exploration Society of Great Britain. He has 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.