



PROVIDENCE RESOURCES P.I.c.

**INTERIM REPORT AND FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2005**

Highlights

- **Turnover up 23% at €29,000 (2004 €10,000)**
- **Operating Profit up 135% to €65,000***
- **Net profit €1,000 (2004 €12,000)**
- **At 30 June, Cash of €4.55 million; No debt**
- **Additional €3 million raised through exercise of warrants in July 05**
- **Post period end, 4 wells have commenced drilling (Aje, Nigeria; West Lennox, Offshore UK; 2 at Singleton, Onshore UK)**
- **Successful listing on AIM**
- **Appointment of Tony O'Reilly Jnr as Chief Executive**

** pre AIM admission costs of €280,000*

Commenting on today's results, Mr. Tony O'Reilly Jnr., Chief Executive of Providence said:

"This has been an exceptionally busy and progressive period for Providence. Our strategy of ensuring a well-balanced portfolio of exploration, development and production is beginning to deliver.

Providence is currently directly involved in the drilling of 3 wells plus also an indirect interest in the appraisal drilling of the Dragon Field. The drilling on AJE in Nigeria offers Providence shareholders a unique exposure to a significant world class hydrocarbon play, whilst the recent acquisition of an interest in West Lennox accords with our strategy of increasing our daily oil production.

Importantly, the current environment means that many of Providence's projects have now been upgraded to potential development status and these projects, together with our currently active drilling operations, means that we look forward to the second half of the year with confidence".

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FINANCIAL

Turnover for the six month period to 30 June 2005 of €629,000 (H1 2004: €510,000) was generated from the Group's 20% interest in the producing onshore UK Singleton oil field. Gross profit increased to €493,000 (H1 2004: €377,000). The Company's share of production in the first half of 2005 averaged 89 barrels of oil per day (BOPD) at an average oil price of \$49.58 per barrel (H1 2004: 102 BOPD at an average oil price of \$33.70 per barrel).

The Company has recorded an operating profit before an exceptional item of €265,000 (H1 2004: €113,000) and a profit on ordinary activities after taxation of €41,000 (H1 2004: €12,000) after including costs of €280,000 associated with the Company's admission to the AIM Market on the London Stock Exchange, which became effective on 24 June 2005.

At June 30, the Company had cash resources of €4.55 million and no debt. Subsequently, in July 2005, the Company received a further €3 million from the exercise of previously granted warrants.

OPERATIONS

NIGERIA

AJE, OML 113 (6.3% Interest)

Providence holds a net 6.3% interest in the **Aje** Field in OML113 offshore Nigeria. An appraisal well (Aje #3) was spudded on 21 August targeting Cretaceous aged oil and gas reservoirs which had been previously encountered in the Aje #1 and #2 wells. The well has been specifically designed to delineate the south-western flank of the field and to provide key information on reservoir quality, fluid types and structural disposition. In addition, the well will probe a deeper Albian reservoir sequence, which is known to be productive in the area. Drilling is currently ongoing.

IRELAND

St. George's Channel (80% interest)

Providence has been awarded further acreage in the St George's Channel Basin, which comprises the **Apollo** prospect. This area has been targeted as a result of ongoing work by the Company on its existing **Pegasus** and **Dionysus** prospects.

In addition, current drilling activity on the **Dragon** field (owned and operated by Marathon Oil U.K.) has further enhanced the prospectivity of this area. Part of the Dragon field extends across the UK/Ireland median line into Providence operated block IRL51/1. In the event of a successful appraisal well on the field providing additional reserves, the Dragon Field is expected to undergo a fast-track plan of development. If no additional reserves are discovered, the existing reserves in Dragon could then be supplemental to Providence's plans for Dionysus and Pegasus.

Porcupine Basin (80% Interest)

Providence holds two Frontier Exploration Licences in the Porcupine Basin off the west coast of Ireland. The **Spanish Point** field, which is located in the northern part of the basin, has recently been upgraded by further detailed data analysis. At present, Providence considers the field to contain unrisks potential recoverable reserves of up to 1.85 TSCF and 288MMBO. Given the recent resource upgrade, in combination with higher commodity pricing, Spanish Point is now being actively reviewed for early development options.

Adjacent to Spanish Point is the **Burren** Oil discovery, which is being re-mapped using new seismic inversion technology.

To the south, the super-giant **Dunquin** prospect continues to attract significant industry interest and farm-out discussions are advancing. As a result of regional work carried out in association with the existing licences, Providence has also recently applied to the Irish Government for further acreage in the Porcupine Basin.

Celtic Sea (80% interest)

As is the case of Spanish Point, the higher oil and gas price environment, combined with enhanced geological and engineering work, has allowed Providence to upgrade the economic feasibility of a number of its prospects in the Celtic Sea. The Celtic Sea portfolio consists of **Hook Head, Ardmore, Helvick, Glandore, Block 50/6-7** and **Blackrock**. Accordingly, various development options are now being considered and Providence also separately continues active discussions with third parties.

Multi Well Programme

Providence is currently endeavouring to finalise a multi-well programme for next year. Details of this multi-well programme are still being worked on and it is hoped to be able to announce further details later this year.

UNITED KINGDOM

Singleton (20% interest)

Singleton development well X-8x was spudded on 16 August 2005 and reached target depth on 30 August 2005. This sidetrack well is targeting reserves in northwest part of the field and a ~2000' horizontal section was drilled within the Middle Jurassic carbonate reservoir sequence. A production liner and completion have been run and the well is due to be tested following completion of the Singleton X-9 well.

Singleton well X-9 spudded on 16 September 2005. This well, is being drilled in the southern flank of the producing Singleton oil field. By accessing this area, Providence and its partners not only potentially benefit from increased daily oil production (estimated and still subject to testing) at up to 50%, but also the installation of this horizontal well will give future opportunities for the drilling of laterals from the horizontal well in order to further increase production throughout the South Western part of the field.

West Lennox/ Crosby (10% interest)

On 19 September 2005, Providence announced the acquisition of a 10% shareholding in the **West Lennox** field, offshore UK in the Liverpool Bay area. This investment, with an international consortium, has been planned to allow Providence to increase its daily oil production.

The appraisal/pre-development well spudded on 18 September 2005 and, on success, the proposed development schedule calls for first oil production by the end of the third quarter 2006. As part of this deal, Providence has also acquired a 10% shareholding on the adjacent **Crosby** Prospect which contains a potential recoverable reserve of 15 MMBOE and which is closely aligned to the companies overall exploration strategy in the Irish Sea Basins.

North Sea Assets (25% interest)

On 8 September 2005, Providence announced that it had been awarded (under the UK 23rd Seaward Round) a 25% interest in **Block 210/19(p)**, which is contiguous with Providence's other two licence interests in **Quad 210** in the North Sea. Block 210/19(p) is near the Shell operated Tern Field. In addition, Providence also holds a 25% interest in **Block 9/9d**. Providence, and its partners, Midmar (Operator) and Sosina, continue with third party farm-out discussions on all these interests.

OUTLOOK

This has been an exceptionally busy period for Providence. The Company has focused on its strategy of increasing its daily oil production, progressing the exciting development and exploration opportunities in its portfolio and ensuring that costs are controlled.

We believe that this strategy, coupled with a working philosophy of maintaining a small, experienced, focused team, supplemented with reliable industry outsourcing, is delivering very exciting opportunities for Providence. Providence now offers shareholders a very attractive and balanced portfolio at a very exciting time in the oil and gas industry. In addition to progressing its current operations, the Company also continues to look for future opportunities to enhance its portfolio.

Dr. Brian Hillery
Chairman
29 September 2005

Notes to Editors

Providence's active oil and gas portfolio includes interests in Ireland (offshore), the UK (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. In addition to drilling the AJE field (offshore Nigeria), Providence is involved in drilling at West Lennox (offshore UK) and at Singleton (onshore U.K.).

Comprehensive information on Providence and its oil and gas portfolio, including the AIM Admission document and Annual Report 2004 are all available from Providence's website at www.providenceresources.com

Providence Resources P.I.c.

**Consolidated Profit and Loss Account
For the six months ended 30 June 2005**

	Unaudited	Unaudited
	30 June	30 June
	2005	2004
	€000	€000
Turnover	629	510
Cost of sales	(136)	(133)
	-----	-----
Gross Profit	493	377
Operating expenses	(228)	(264)
	-----	-----
Operating Profit	265	113
Exceptional item – AIM admission costs	(280)	-
	-----	-----
Operating (Loss)/Profit on Ordinary Activities before Taxation	(15)	113
Interest receivable and similar income	57	30
Interest payable and similar charges	(1)	(131)
	-----	-----
Profit on Ordinary Activities before Taxation	41	12
Tax on ordinary activities	-	-
	-----	-----
Retained Profit for the Period	41	12
	=====	=====
Profit and Loss Account		
At beginning of period	(24,553)	(24,718)
Retained profit for the period	41	12
	-----	-----
Profit and Loss Account, end of period	(24,512)	(24,706)
	=====	=====
Profit Per Ordinary Share (cent)		
- Basic and fully diluted	0.002c	0.0009c
	=====	=====

Providence Resources P.I.c.

Consolidated Balance Sheet as at 30 June 2005

	Unaudited	Unaudited
	30 June	30 June
	2005	2004
	€000	€000
Fixed Assets		
Oil and gas interests	15,738	7,882
Tangible assets	57	53
	-----	-----
	15,795	7,935
	-----	-----
Current Assets		
Debtors	442	228
Cash at bank and in hand	4,555	11,103
	-----	-----
	4,997	11,331
Creditors: Amounts falling due within one year	(917)	(822)
	-----	-----
Net Current Assets	4,080	10,509
	-----	-----
Total Assets Less Current Liabilities	19,875	18,444
Creditors: Amount falling due after more than one year	(6)	(9)
Provision for Liabilities and Charges	(1,592)	(1,531)
	-----	-----
Net Assets	18,277	16,904
	=====	=====
Capital and Reserves		
Called up share capital	13,712	13,194
Share premium	27,801	17,432
Capital conversion reserve	623	623
Convertible capital bonds	-	9,717
Profit and loss account	(24,512)	(24,706)
Foreign currency translation reserve	653	644
	-----	-----
Shareholders' Funds	18,277	16,904
	=====	=====

Providence Resources P.I.c.

**Consolidated Cash Flow Statement
For the six months ended 30 June 2005**

	Unaudited	Unaudited
	30 June	30 June
	2005	2004
	€000	€000
Net cash inflow from operating activities	233	316
Returns on investments and servicing of finance		
Interest received	57	30
Interest paid	(1)	(131)
	-----	-----
	289	215
	-----	-----
Taxation	-	-
	-----	-----
Capital expenditure and financial investment		
Expenditure on oil and gas interests	(3,193)	(393)
Capitalisation of operating costs	(534)	(342)
Purchase of tangible fixed assets	(12)	(5)
AIM admission costs	(280)	-
	-----	-----
	(4,019)	(740)
	-----	-----
Net cash outflow before use of liquid resources and financing	(3,730)	(525)
	-----	-----
Financing		
Issue of ordinary share capital	1,001	12,273
Short term loans	-	(400)
Secured bank loans	-	(428)
Foreign exchange	-	2
	-----	-----
	1,001	11,447
	-----	-----
(Decrease)/Increase in cash	(2,729)	10,922
	=====	=====

Notes to the Interim Statement

1. The results for the six month periods ended 30 June 2005 and 2004 are neither audited nor reviewed.
2. The calculation of the profit per share is based on the profit for the period on ordinary activities after taxation of €41,000 divided by the weighted average number of ordinary shares in issue during the period on a basic and fully diluted basis of 2,018,726,000.
3. The Interim Statement is being sent to registered shareholders and is available on the Company's website at www.providenceresources.com. Further copies will be available from the Company's offices at 60 Merrion Road, Dublin 4.