



## PRESS COMMENTARY

Providence Resources P.L.C. ("Providence" or the "Company"), the Irish oil and gas exploration and appraisal company, whose shares are quoted in London (AIM) and Dublin (ESM), notes recent press commentary regarding litigation between Providence and Transocean Drilling UK Limited, a subsidiary of Transocean Ltd.

Providence can confirm that a Judgment was handed down by the Hon. Mr Justice Popplewell on Friday, 19 December, 2014 in the Commercial Court in London. The case related to certain cost claims made by Transocean against Providence regarding the use of the semi-submersible drilling unit, the Arctic III, in 2011/12 on Providence's Barryroe oilfield, offshore Ireland. The total claim, which was made by Transocean in 2012, amounted to approximately \$19 million. Providence, in defence of its position, counter claimed against Transocean.

In the published ruling, the Hon. Mr Justice Popplewell found that Transocean was in breach of contract for failing to maintain various parts of its sub-sea equipment and that Transocean were not, therefore, entitled to the amount claimed against Providence. The ruling also supported Providence's position that Providence were entitled to set off certain spread costs against Transocean's claim.

The judgment now paves the way for the parties to finalise the account, including legal fees, which Providence will apply to recover. Providence fully provided for the claim by Transocean in its accounts, and the associated legal costs, and once matters are finalised, Providence will make a positive adjustment to its accounts.

Commenting on the news, Tony O'Reilly, Chief Executive of Providence, said:

*"Whilst we never wanted to go to court in the first instance, this ruling clearly vindicates our decision to defend ourselves against Transocean's claim. The judgment confirmed our original position that we should not have to pay Transocean for those periods when the rig was not fit for purpose, due to breaches of contract arising from Transocean's failure to carry out maintenance on safety critical parts of its sub-sea equipment. We are also delighted that the Judge agreed with Providence that we should be allowed to set-off certain third party costs against Transocean's claim. In addition to finding Transocean in breach of contract, the ruling was critical of Transocean's conduct and testimony, which included the deliberate doctoring of reports and deception by Transocean's senior management.*

*"Following the handing down of this judgment, we will look to settle the final account and will update the market when these details are confirmed. Likewise, we hope to be in a position to update shareholders on our Barryroe farm out process. Finally, once details are confirmed by the operator, we will also update the market on the next well in our programme (Spanish Point), where drilling is scheduled to commence in 2015."*

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## ABOUT PROVIDENCE

Providence Resources Plc is an Irish based oil & gas company with a portfolio of appraisal and exploration assets offshore Ireland and the U.K. The Company is currently leading a circa \$500 million multi-year drilling programme on a number of exploration/development wells over 6 different basins offshore Ireland, representing the largest drilling campaign ever carried out offshore Ireland [www.providenceresources.com](http://www.providenceresources.com).

## ANNOUNCEMENT

This announcement has been reviewed by John O'Sullivan, Technical Director, Providence Resources P.l.c. John holds a B.Sc. in Geology from University College Cork, Ireland, a M.Sc. in Applied Geophysics from the National University of Ireland, Galway and a M.Sc. in Technology Management from The Smurfit School of Business at University College Dublin. John has worked in the offshore business for over 25 years and is a fellow of the Geological Society of London and member of The Petroleum Exploration Society of Great Britain. Definitions in this press release are consistent with SPE guidelines. He has recently completed a PhD dissertation at Trinity College, Dublin.

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