



## **SPANISH POINT DISCOVERY OPERATIONAL UPDATE**

- **COMMENCEMENT OF APPRAISAL WELL ACTIVITIES**
- **CHRYSAOR TO ASSUME ROLE OF OPERATOR**

Providence Resources P.l.c., (“Providence”) the London (AIM) and Dublin (ESM) quoted oil and gas exploration and production company, is pleased to confirm an operational update for the Upper Jurassic Spanish Point gas condensate discovery which is located in Frontier Exploration Licence (FEL) 2/04. This licence, which also contains the Lower Cretaceous Burren oil discovery, is situated in the Main Porcupine Basin, c. 200 km off the west coast of Ireland in c. 400 metre water depth.

Under the terms of a 2008 farm-out agreement, Chrysaor elected to exercise its option (ref. RNS 14 March 2011) to drill up to two appraisal wells on the Spanish Point discovery. In return for committing to such a significant work programme, Chrysaor’s equity participation in FEL 2/04, and the adjacent FEL4/08, increased from 30% to 60%, with Providence and Sosina retaining 32% and 8%, respectively. As part of the agreement, Chrysaor provided a financial cap on Providence’s and Sosina’s financial exposure to the appraisal drilling costs.

Following a recent partnership meeting, the 2012 budget was unanimously approved. The budget includes the provision for well design activities as part of the ramp up to a 2013 appraisal drilling programme on the Spanish Point discovery. Currently, the plan is to spud the initial appraisal well in Q3 2013 subject to rig availability and governmental approvals. The partners also agreed to the transfer of Operatorship of FEL 2/04, FEL 4/08 and Licensing Option 11/2 from Providence to Chrysaor, subject to Irish government approval.

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

“We are delighted to confirm that the pre-drill activities for the Spanish Point appraisal well have commenced and that a spud date has been scheduled. Next year should prove to be pivotal in assessing the exploration and development potential of hydrocarbons in the Porcupine Basin, with drilling now planned at Spanish Point, as well as at the Dunquin exploration prospect to the south.

Similar to our recent success at Barryroe, we believe that the application of modern well completion technologies, driven by the state of the art 3D seismic data can unlock material value at Spanish Point, a significant resource with up to 200 MMBOE REC potential. We welcome Chrysaor as new Operator offshore Ireland and we look forward to working with them as we finally return to Spanish Point to turn the drill bit after a 30 year absence.”

Contacts:

**Providence Resources Plc**

Tony O'Reilly, Chief Executive

Tel: +353 1 219 4074

**Powerscourt**

Lisa Kavanagh/Rob Greening

Tel: +44 207 250 1446

**Murray Consultants**

Pauline McAlester/Pauline Dooley

Tel: +353 1 498 0300

**Cenkos Securities Plc**

Adrian Hargrave/Nick Wells

Tel: +44 207 397 8900

**J&E Davy**

Eugene Mulhern

Tel: + 353 1 679 6363

**Liberum**

Simon Atkinson/Clayton Bush

Tel: +44 (0)203 100 2000

## **ABOUT PROVIDENCE**

Providence Resources Plc is an Irish based oil and gas exploration company whose shares are traded on the London AIM market and on Dublin's ESM market. Providence's portfolio of production, appraisal and exploration assets includes licence interests in Ireland (offshore) and the United Kingdom (onshore & offshore). In 2011, Providence, along with its partners, commenced a circa \$500 million multi-year drilling programme on a number of exploration and development wells in 6 different basins offshore Ireland. This programme represents the largest drilling campaign ever carried out offshore Ireland. [www.providenceresources.com](http://www.providenceresources.com).

## **ABOUT CHRYSAOR**

Chrysaor is a wholly-owned operating subsidiary of Chrysaor Holdings Limited ("CHL"), a privately-owned exploration and production company backed by Barclays Natural Resources Investments ("BNRI") and a fund managed by Natural Gas Partners. BNRI is a division of Barclays Capital, the investment banking division of Barclays Bank plc.

CHL seeks to create value by focussing on the development and commercialisation of dormant oil and gas discoveries and incremental reserves. It has an experienced management team, with a proven track record of delivering real value in both public and private companies latterly as part of the CH4 Energy Limited, which was sold to Venture Production plc in 2006. Further information on CHL is available from CHL's website at [www.chrysaor.com](http://www.chrysaor.com).

In 2008, Providence and Sosina agreed a farm out with Chrysaor which provided for Chrysaor to conduct a significant appraisal work programme on the Spanish Point discovery in return for a 30% interest in Spanish Point. Chrysaor then had an option to earn a further 30% in the event it elected to drill an appraisal well on Spanish Point, with a further 10% equity being made available post drilling for a cash consideration.

## **ABOUT SPANISH POINT**

The Spanish Point gas condensate discovery was made by Philips Petroleum in 1981 with the drilling of the 35/8-2 well. Oil and gas were discovered in Upper Jurassic Volgian sands with one zone flowing at c. 5 MMSCFD and c. 1000 BOPD (c. 1800 BOEPD). The discovery was not appraised due to lack of gas infrastructure and market in Ireland at the time. In 2004, Providence/Sosina licensed the discovery and following in depth subsurface and pre-development studies, Chrysaor farmed in during 2008 by agreeing to fund a c. 300 sq km 3D seismic survey which was acquired in 2009. Evaluation of these data has confirmed a resource level of up to c. 510 MMBOE with c. 200 MMBOE recoverable. Peak production rates have been modelled at over 70,000 BOEPD and planning has commenced for an appraisal drilling programme.

## **GLOSSARY OF TERMS USED**

All figures quoted are gross figures, unless otherwise stated

BOPD Barrels of Oil per Day

BOEPD Barrels of Oil Equivalent per Day

MMBOE Millions of Barrels of Oil

MMSCFD Millions of Cubic Feet of Gas per Day