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# **OPERATIONAL UPDATE**

## **SPANISH POINT & BURREN**

- **Spanish Point partners make well commitment**
- **New 200 sq km 3D seismic survey planned for 2011**
- **New third party resource audit for Spanish Point and surrounding targets complete**

Providence Resources P.l.c. ("Providence"), the Irish oil and gas exploration and production company, whose shares are listed in London (AIM) and Dublin (ESM), is pleased to provide an operational update on its activities across its two frontier exploration licences (FEL 2/04 & FEL 4/08) in the Main Porcupine Basin, c. 200 km off the west coast of Ireland. These licences are operated by Providence (56%) with partners Chrysaor E&P Ireland (30%) and Sosina Exploration (14%).

### **Spanish Point well commitment**

Providence, on behalf of its partners, Chrysaor and Sosina has formally notified the Irish Department of the Communications, Energy and Natural Resources that they have elected to enter the second phase of FEL 2/04, which contains the Spanish Point gas condensate and Burren oil discoveries. This second phase carries a firm well commitment and will form part of Providence's previously announced multi-year, multi-basin drilling programme offshore Ireland.

### **New 3D seismic survey to be acquired over FEL 4/08**

The subsurface evaluation of FEL 4/08 carried out to date has been based on 2D seismic data together with the integration of the mapping into the overall Spanish Point regional model. This work has revealed the presence of a number of new prospective features. Accordingly, the partners have agreed to acquire a new c. 200 sq km 3D survey over FEL 4/08 and integrate these data with the recent 2009 Spanish Point 3D survey. It is planned that this survey will be acquired during the summer 2011.

### **New independent CPR completed for FEL 2/04 and FEL 4/08**

Senergy, a leading Aberdeen-headquartered energy services company, has carried out a competent persons report (CPR) on the resource potential of FEL 2/04 and FEL 4/08. This study has independently assessed gross un-risked recoverable prospective resources of up to c. 750 MMBOE. This resource potential covers a number of prospects including “Wilde”, the newly identified “Cama” prospect as well as the “Burren” oil discovery (up to c. 66 MMBO REC). The CPR also evaluated the contingent resource potential at “Spanish Point” and has attributed gross contingent resources that are in line with the previously reported volumes of up to c. 200 MMBOE REC.

Commenting, John O’Sullivan, Technical Director of Providence said:

“Following the hugely positive impact that 3D seismic has had on our understanding of the Spanish Point discovery, the partners have now taken the decision to move into the second phase of the licence by providing a well commitment. Our mapping and the associated CPR have highlighted additional resource potential around Spanish Point, both in known discoveries such as Burren, as well as in the newly identified exploration targets in FEL 2/04 and FEL 4/08. We believe that the deployment of 3D seismic technology will again add similar value to our adjacent FEL 4/08 area and help to advance it to a drill ready stage.”

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## **NOTES TO EDITORS:**

### **ABOUT PROVIDENCE**

Providence Resources Plc is an independent oil and gas exploration 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 (offshore), the United Kingdom (onshore and offshore), the United States (offshore) and West Africa (offshore Nigeria).

On February 16<sup>th</sup>, 2011, Providence announced the placing of 16.096 million new ordinary shares to raise \$65.7 million in support of its planned multi-year, multi-well drilling campaign to cover the six basins in which the Company has licence interests offshore Ireland. As part of this programme, plans are being advanced for the drilling of an appraisal well at Spanish Point.

Comprehensive information on Providence and its oil and gas portfolio, including all press releases, annual reports and interim reports are available from Providence's website at [www.providenceresources.com](http://www.providenceresources.com).

### **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 found 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

### **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, an 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 is presently working part-time on a PhD dissertation at Trinity College, Dublin. John has worked in the offshore business for 20 years and is a fellow of the Geological Society of London and the Petroleum Exploration Society of Great Britain. Definitions in this press release are consistent with SPE guidelines.