

22 June 2009



## OPERATIONAL UPDATE

# PROVIDENCE COMMENCES SPANISH POINT 3D SEISMIC SURVEY

- ***BOS ANGLER* VESSEL MOBILISATION HAS COMMENCED**
- **300 SQ KILOMETRE 3D SEISMIC SURVEY TO BE ACQUIRED**

Providence Resources P.I.c., ('Providence') the London (AIM) and Dublin (IEX) listed oil and gas exploration and development company, is pleased to announce that it has commenced vessel mobilisation operations for the Spanish Point 3D seismic survey. This 3D seismic survey programme will cover a c.300 km<sup>2</sup> area primarily over the Jurassic Spanish Point gas condensate discovery and is expected to take up to 60 days.

The survey acquisition contract was awarded to Bergen Oilfield Services AS and the survey will be acquired using the recently refitted BOS Angler 3D seismic survey vessel. Providence (56%) operates the Spanish Point licence (FEL 2/04) on behalf of its partners Chrysaor E&P Ireland (30%) and Sosina Exploration (14%). The budgeted costs of this survey will be borne by Chrysaor, as part of the farm-out agreement announced on 12 August 2008.

The original 35/8-2 Spanish Point discovery well flowed c.1,000 BOPD and c. 5 MMSCFGPD from one of four logged hydrocarbon bearing intervals. Third party modeling of these well data has suggested that an optimally placed and stimulated development well could flow at significantly higher rates from all hydrocarbon bearing intervals.

The partners consider that the acquisition of a 3D seismic survey over Spanish Point is vital in order to further enhance the detailed understanding of the reservoir, as well as to optimise potential future well placement. The survey has also been designed to accommodate future time lapse 3D seismic surveying, which has been demonstrated to be particularly effective in monitoring fluid movement during field production.

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## **Explanatory Notes**

### **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 IEX market. The Company was founded in 1997, but with roots going back to 1981 when its predecessor company, Atlantic Resources Plc was formed by a group of investors led by Sir Anthony O'Reilly. 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. 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**

Providence holds a 56% interest and is operator of FEL 2/04, which covers blocks 35/8 & 9 situated in the Porcupine Basin, off the west coast of Ireland. The blocks are situated in 300-400 metres of water and are located approximately 200 km off the coast. Spanish Point was discovered in 1981 by Phillips Petroleum and a consortium which included Atlantic Resources Plc, Providence's predecessor company. The discovery well (35/8-2) flowed c. 1,000 BOPD and c. 5 MMSCFGPD from a hydrocarbon column of c. 1,400 ft in sandstones of Upper Jurassic age. However, due to a combination of low commodity prices, high cost of development and lack of an indigenous gas market and infrastructure at that time, the project was not declared economic and the licence was subsequently relinquished. Providence applied for and became operator of the Spanish Point licence in November 2004 which has a 15 year-term. Providence's geological team carried out a geological and geophysical analysis which supported and improved the 1981 post-drill analysis. The combination of this new analysis, coupled with advances in technology and an improved oil/gas price regime, suggest that a commercial development of Spanish Point might be possible.

In August 2008, Providence, together with its partner Sosina, signed a staged farm-out agreement with Chrysaor Holdings Limited, a privately owned development led company. The terms of the farm-out agreement provide for Chrysaor to conduct a significant appraisal work programme on the Spanish Point discovery in return for a minimum 30% interest in Spanish Point. Chrysaor then has the option to earn up to a maximum 70% interest in the event that two wells are subsequently drilled on Spanish Point. The agreement is subject to certain milestones being achieved with an initial commitment by Chrysaor to fund the budgeted cost of a 3-D seismic programme as consideration for the initial 30% interest. Chrysaor may then undertake to finance the drilling of up to two appraisal wells where it will commit not less than 60% cost share, whilst also capping the other partners' cost share, to earn an additional interest of up to 40%, thereby reducing the other partners' stakes pro rata.

### **About Bergen Oilfield Services AS**

Bergen Oilfield Services AS (BOS) is a Norwegian offshore seismic survey company with a focus on subsea technology commercialisation. We manage the whole value chain from vessel ownership and data acquisition through to processing; ensuring a high quality, on time response. The organisation is driven by the quality of its services, the continuous pursuit for innovative solutions and the expertise of its employees. At all stages of our operations, safety, quality and environmental preservation are paramount.

### **About BOS Angler**

Bergen Oilfield Services (BOS) is proud to announce the re-launch of the BOS Angler, the world's first "geophysical toolbox" vessel. With the trend for combination and on demand exploration tools required by our clients, the BOS Angler is one of the BOS solutions to an ever growing industry demand. E&P companies realise that to achieve the best prospect imaging solution, a combination of new and proven existing exploration tools are required. The BOS Angler coupled with the BOS team are ahead of the game in delivering bespoke solutions to global exploration challenges. Not just seismic, not just better seismic but a combination of exploration tools to deliver data and images for exploration success. Following a successful upgrade the BOS Angler is equipped for multiple streamer surveys and prepared for OBS and other seabed operations. BOS Angler is a DP II Ice Class survey vessel and is already attracting interest for work in Arctic and other northern exploration latitudes. BOS Angler is the latest vessel to join the growing BOS Fleet - all vessels are owned and managed by Bergen Oilfield Services AS. To date, BOS 2D & 3D operations have achieved the highest levels of operational performance courtesy of our very experienced seismic crew base. Contact Information at [www.bergenofs.no](http://www.bergenofs.no)

### **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 19 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.

### **Glossary of Terms Used**

BOPD Barrels of Oil per Day

MMSCFGPD Millions of Cubic Feet of Gas Per Day

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