

7 October 2009



# SPANISH POINT OFFSHORE IRELAND

## Operations Update – 3D Seismic Survey

- Excellent resolution in initial fast-track 3D seismic data volume
  - Good structural continuity, simplifying any potential field development
  - Improved imaging of the 35/8-2 Spanish Point gas discovery and the 35/8-1 Burren oil discovery
- Confirmation of potential for additional reservoir above that tested by the Spanish Point discovery well

Providence Resources P.l.c., the London (AIM) and Dublin (IEX) listed oil and gas exploration and production company, is pleased to provide an operational update on its Spanish Point licence (FEL 2/04), which is located c. 200 km off the west coast of Ireland. This licence is situated in the Main Porcupine Basin and is operated by Providence (56%) on behalf of its partners, Chrysaor E&P Ireland Limited (30%) and Sosina Exploration Limited (14%).

During the summer of 2009, Providence and its partners acquired a c. 320 sq km 3D seismic survey over the Spanish Point licence, which contains the Spanish Point gas discovery and the adjacent Burren oil discovery. Preliminary fast track data from this survey have now been received by the partnership and the initial observations are detailed below.

### **Spanish Point**

Initial partially processed data indicate excellent resolution to below reservoir level across the whole of the Spanish Point structure and confirm the potential for further reservoir above that tested by the 35/8-2 discovery well within the existing hydrocarbon bearing block. In addition, the results suggest that fault density within the Spanish Point structure is relatively low, which is positive in terms of reservoir continuity and any ultimate future field development.

## **Burren**

The 3D survey area also covered the adjacent 35/8-1 Burren oil discovery which flowed high quality 34° API oil from one of a number of thin Lower Cretaceous sands within a c. 400ft gross hydrocarbon bearing interval. Previously, it had been difficult to map the architecture of these reservoir sands however the 3D survey has already provided a significant improvement in the imaging of the Burren discovery which will allow the partnership to more fully assess its commercial potential.

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

"We are very pleased with the initial findings from this 3D survey which exceed our expectations. Whilst more work needs to be done to fully evaluate these 3D seismic data, the initial results substantially enhance our overall views on Spanish Point. Of particular significance is the identification of additional potential reservoir up-dip from the discovery well - this indicates significant resource upside in terms of gas in place. We are also very encouraged by the data over the Burren oil discovery."

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## **NOTES TO EDITORS**

### **About Providence**

Providence Resources P.l.c. is an independent oil and gas exploration 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 (offshore), the United Kingdom (onshore), the United States (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. 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 FEL 2/04**

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. There are two confirmed discoveries in the licences, Spanish Point and Burren. Due to a combination of low commodity prices, high cost of development and lack of an indigenous gas market and infrastructure in the early 1980's, neither of projects were declared commercial and the licence was subsequently relinquished. Providence applied for and became operator of the Spanish Point licence in November 2004 – the licence has a 15 year-term. At the licence applications stage, Providence was joined by Sosina as a 20% shareholder. In 2008, Chrysaor farmed into the licence. The current shareholdings are Providence (56%) Chrysaor E&P Ireland Limited (30%) and Sosina Exploration Limited (14%).

### **Spanish Point – 35/8-2**

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 (1,800 BOEPD) from one of four Upper Jurassic reservoir intervals within an overall c. 1,400 ft thick gross hydrocarbon bearing section. Providence has since carried out a geological and geophysical review which has supported and improved on the 1981 post-drill analysis. Recent analysis based on the vintage 2D seismic data suggests that the field has a median resource potential of 1.4 TSCF and 160 MMBO (c. 400 MMBOE).

### **About Burren – 35-8/1**

The Burren discovery well was drilled in 1978 by a group led by Phillips Petroleum. The discovery well (35/8-1) flowed c. 730 BPOD of high quality 34° API from one of a number of thin Lower Cretaceous sands within a gross c. 400' hydrocarbon bearing interval. The original Jurassic target for the well was never penetrated due to increased down-hole pressures and drilling was terminated at the top of the Jurassic. Imaging of the hydrocarbon bearing interval on 2D seismic data has been difficult due to the presence of overlying volcanic units and so the extent of the oil resource potential is poorly understood. In addition, the underlying Jurassic target remains as a potential future well target as it was subsequently found to be hydrocarbon bearing in the follow-up 35/8-2 well.

### **Terms used in this Announcement**

MMBO Millions of Barrels of Oil

BOPD Barrels of Oil per Day

BOEPD Barrels of Oil Equivalent per Day

MSCFGD Millions of Standard Cubic Feet of Gas per Day

TSCF Trillion Standard Cubic Feet of Gas

### **Announcement**

In accordance with the AIM Rules – Guidance for Mining and Oil & Gas Companies, the information contained in this Announcement has been reviewed by John O'Sullivan, Exploration Manager, 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 19 years and is a fellow of the Geological Society of London. Definitions in this press release are consistent with SPE guidelines.