

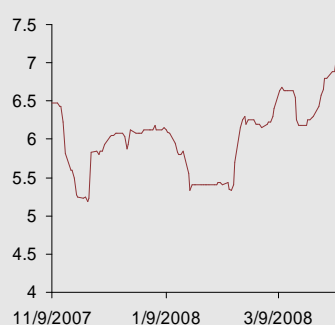
11 April 2008

UNITED KINGDOM • OIL & GAS

Buy

- AJE 4 well completed
- Successful appraisal of NE Sector
- Encountered multiple hydrocarbon bearing intervals

Share Price Performance



Source: Fidessa

Providence Resources

AJE Drilling Success

Providence Resources in conjunction with its Aje Partners (Yinka Folawiyo Petroleum Company Limited ("YFP") acting as the Operator, Chevron Nigeria Deepwater H Limited ("CDHL") acting as the Technical Adviser, Vitol Exploration Nigeria Limited ("Vitol"), Energy Equity Resources Aje Limited ("EER") confirm that drilling of the AJE 4 well has been successfully completed.

AJE 4 Well

The Aje-4 well was designed to appraise the Aje gas and oil field located in the offshore Oil Mining Lease, OML 113, in western Nigeria. The Aje Field is located approximately 40 miles west-southwest of Lagos and 15 miles from shore in water depths ranging from 300ft to 3600ft.

As prognosed, the AJE- 4 well encountered Cretaceous aged hydrocarbon bearing section, specifically a gas condensate and oil bearing Turonian reservoir with oil bearing Cenomanian intervals. A comprehensive logging and coring programme has been completed together with down-hole pressure measurements and hydrocarbon sampling. The AJE-4 well is currently being suspended. Certain Cenomanian oil zones were not anticipated and bode well for further Cenomanian oil reserves within the AJE Field and more generally, within block OML113. As mentioned, in our previous Aje note on 5 February 2008, in a success case the Aje-4 well was designed to be suspended as a future producer in both the Turonian and Cenomanian hydrocarbon-bearing zones.

The secondary objectives of the AJE 4 well were to test and evaluate deeper exploratory targets to progress the overall understanding of the prospectivity in OML 113. It is interesting to note that no information was provided; suggesting that the results may be commercially sensitive, any positive results will obviously have a positive result for the overall reserve potential of OML 113.

The discovery well, Aje-1, was drilled in 1996, encountered oil and gas in reservoirs of Cretaceous age, and flowed at an aggregate rate of 42 MMSCFGD and 2,262 BOPD over three zones. An appraisal well, Aje-2, was drilled in 1997, and flowed 3,866 BOPD from a deeper separate additional zone which had not been encountered in Aje-1. A further appraisal well, Aje-3, was drilled in 2005 to the south of Aje 1 and 2 in deeper water (3,000ft). Whilst confirming the presence of both oil and gas in both target reservoir intervals, Aje-3 was deep to prognosis. The then partners elected to suspend the well and carry out follow on seismic evaluations and other studies through 2007, during which period a new syndicate was assembled to progress the AJE project. In late 2007, this new partnership elected to drill Aje-4 well.

Drilling of the Aje-4 well was carried out by the Transocean Deepwater Pathfinder drill-ship in approximately 1,000ft of water. The drilling operations were overseen by Chevron acting in its capacity as Technical Adviser to the Operator, YFP.

All data and samples acquired from the well will be used for pre-development studies, including reservoir characterisation and simulation. The extensive well evaluation program was designed to gather good quality geological and geophysical information to better evaluate the quality, connectivity and volumetric potential of the Turonian and Cenomanian reservoirs in the Aje Field.

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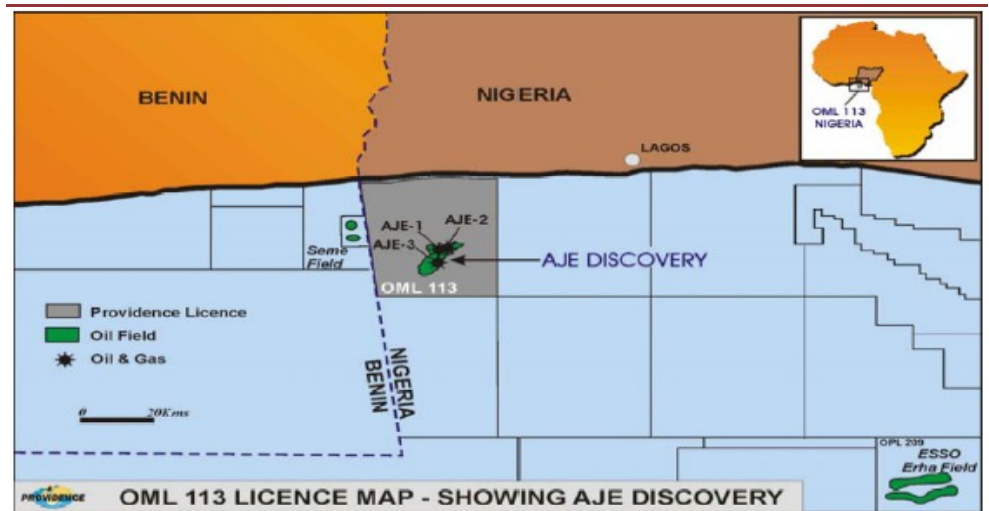
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Providence holds a 5% interest in OML113 in consideration for paying approximately 6.5% of the Aje-4 well costs. We estimate that Providence's total investment to date in OML113 is approximately net\$10m. From September '06 through April '07, Providence acted as Interim Technical Advisor to the Operator and was instrumental in bringing in the new partners, Chevron and Vitol.

NSAI prepared an independent reserves report in 2007 showing contingent resources of the hydrocarbons in the Cenomanian and Turonian ranging from 117 MMBOE (P90) to 433 MMBOE (P10). The P50 number was estimated by NSAI as 254 MMBOE. Based on the information that the well at least met pre-drill estimates one can suggest a median figure of 12.7mmboe net to Providence. At \$9 a barrel this would be \$114m while \$20 gives a value of \$254m.

It is expected that the Aje Partners could be in a position to proceed to the development of the Aje Field. Development options include pipeline to WAGP (West African Gas Pipeline), operated by Chevron, which lies c. 5 km from the Aje Field with FPSO for liquids and/or sub-sea pipeline to shore.

AJE



Source: Providence Resources

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