

25<sup>th</sup> January 2007



**Providence Resources P.I.c. ("Providence" or the "Company")**

## **PROVIDENCE MAKES OIL AND GAS DISCOVERY IN THE GULF OF MEXICO, OFFSHORE TEXAS**

Providence Resources P.I.c., the Irish oil and gas exploration and development company whose shares are listed in London (AIM) and Dublin (IEX), is pleased to announce that it has made a successful oil and gas discovery in High Island Block A-268 in the Gulf of Mexico, offshore Texas. It is planned that this new field, which is located 125 kilometres off the coast of Texas and in which Providence holds a 5% working interest, will undergo a fast-track development to existing infrastructure. First production from the field is planned for later this year (2007).

Speaking today, Tony O'Reilly Jnr, Chief Executive of Providence, said:

"We are delighted to be a part of this successful drilling programme in the Gulf of Mexico. This High Island project is part of Providence's objective to increase its daily production rates and we are delighted that the consortium is planning to move ahead with a fast track development programme for the second half of 2007."

"Whilst final production rates are still to be determined, it is anticipated that initial field rates will be in the region of 14 MMSCFGPD and 280 BOPD (c.100 BOEPD net to Providence) when production starts later this year, significantly increasing our present daily production. Drilling and development costs will be met from existing Providence financing resources."

"Furthermore, the encouraging results from this well, give the Company greater confidence as to the potential for further step out locations and associated incremental production from this block in the future. In addition, Providence, as part of a US-based industry consortium, continues to examine other such opportunities in the Gulf of Mexico as we look to continually increase our daily production rates in a timely and cost-effective manner."

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**Notes to Editors:**

**Location Map**



**About the High Island A-268 OCS-G 22268 #1 discovery well**

*The OCS-G 22268 #1 well, in which Providence holds a 5% working interest, was drilled in 165 feet of water on High Island block A-268 using the TODCO 207 jack-up drilling unit. The well was drilled to a deviated total depth of 8,172 ft TVDSS.*

*The well was drilled on a Tertiary-aged gas-condensate target with pre-drill most likely recoverable resource estimate of 10 BSCFE. A number of additional similar geological targets have also been identified within the High Island A-268 block totalling a further 28 BSCFE of potential resources and these are now being assessed as locations for possible future drilling.*

*Significant hydrocarbon shows were recorded across the target reservoir sands during drilling operations and subsequent logging together with modular dynamic testing (MDT) have revealed the presence of a number of gas and condensate bearing intervals. Two primary reservoir zones have been identified with a total logged pay thickness of c. 100 feet. Average porosities derived from well log analysis and core data range 25-30% suggesting excellent reservoir quality. A production liner is being set across these reservoir intervals in preparation for completing as a producing well.*

*Partners in the High Island A-268 block include Challenger Minerals Inc. (Operator, part of the GlobalSantaFe Corporation), Peregrine, RP Joint Venture (which comprises Reeder, HRB Oil & Gas), Pruet Offshore, Warren American Offshore, HDO Gulf Energy, Cottesloe Oil & Gas.*

## About Providence

*Providence Resources Plc 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 UK (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.*

*Key corporate announcements include:*

- *Conclusion of Seismic Survey (announced Nov. 8<sup>th</sup>, 2006)*
- *Award of Goban Spur Licencing Option with ExxonMobil & Sosina (announced Nov. 1<sup>st</sup> 2006)*
- *Blackrock Update – OBS (announced Oct. 26<sup>th</sup> 2006)*
- *Interim Results (announced Sept. 27<sup>th</sup>, 2006)*
- *Secures Rig Slot for 2007 (announced Sept. 25<sup>th</sup>, 2006);*
- *Gardline Geosurveys Ltd Survey (announced Sept. 15<sup>th</sup>, 2006);*
- *20% Farm-out Deal agreed with CMI on Celtic Sea Licences (announced Sept. 5<sup>th</sup>, 2006);*
- *Completion of Dunquin Seismic (announced Aug. 8<sup>th</sup>, 2006);*
- *Annual General Meeting Statement (announced on June 20<sup>th</sup>, 2006);*
- *Annual Results (announced on May 17<sup>th</sup>, 2006)*
- *Increased production at its Singleton oilfield (announced March 7<sup>th</sup>, 2006);*
- *Dunquin Farm-out to ExxonMobil (announced on Feb 13<sup>th</sup>, 2006); and*
- *€50 million Revolving Credit Finance Facility with Macquarie (announced on Feb. 2<sup>nd</sup>, 2006);*

*Comprehensive information on Providence and its oil and gas portfolio, including its 2005 AIM Admission document, 2005 Annual Report, Interim Report 2005 and recent press releases are available from Providence's website at [www.providenceresources.com](http://www.providenceresources.com)*

## Glossary of technical terms used in this announcement

|            |   |
|------------|---|
| 'MMSCFGPD' | million standard cubic feet of gas per day    |
| 'BOPD'     | barrels of oil per day                        |
| 'BOEPD'    | barrels of oil equivalent per day             |
| 'BSCFE'    | billion standard cubic feet of gas equivalent |
| 'TVDSS'    | true vertical depth sub-sea                   |
| 'MMBOE'    | millions of barrels of oil equivalent         |

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 National University of Ireland, Galway and an M.Sc. in Technology Management from The Smurfit School of Business at University College Dublin. John has worked in the offshore business for 17 years and is a fellow of the Geological Society of London. Definitions in this press release are consistent with SPE guidelines.