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PROVIDENCE RESOURCES P.l.c. ('Providence')

BLACKROCK UPDATE

Providence Resources Plc ("Providence") announces that drilling operations have concluded on the Blackrock prospect (well IRL49/26-1A) in the Irish Celtic Sea (Licensing Option 03/1). Logging of the well was completed earlier today (23rd August).

The drilling programme, which was conducted under 'tight hole' confidential status, encountered good sandstone reservoir and associated seal development in three of the five target horizons within the pre-drill depth prognosis. Interpretation of electric wireline log data shows the presence of thin hydrocarbon-bearing sands beneath the main Wealden reservoir interval. These sands are of equivalent age to those sands encountered as hydrocarbon-bearing in the original Esso-Marathon IRL48/30-1(1973) well, which was drilled on the structure some 8 km west of the current well.

While there were hydrocarbon shows in this well, the lack of hydrocarbon shows in the main Wealden reservoir interval together with a localised abnormally high subsurface temperature suggests that the well location in the southern panel of the Blackrock prospect is in close proximity and to the south of a major fault. This fault, which separates the well from the previous hydrocarbon-bearing IRL48/30-1 well, is thought to be partially sealing, and suggests that the main reservoir interval encountered in the current well will be hydrocarbon-bearing in the central and northern panels of the prospect. These central and northern panels comprise two-thirds (c. 20,000 acres) of the original prospect area. This fault is now considered to exercise an important regional control on hydrocarbon maturation and migration, partially isolating the southern panel, which was not evident in the pre-drill data.

A substantial volume of valuable well data has been obtained during the drilling programme. This will further expand our knowledge base in progressing the Blackrock programme going forward and a thorough evaluation will now be undertaken before recommending a course of action.

Preliminary interpretation of the well results suggests that at least one further well is warranted to assess the significant remaining hydrocarbon potential on the Blackrock structure to the north of the IRL49/26-1A well. Whilst an immediate second well has been considered, it has been decided to fully evaluate the current well results in order to better optimise the forward programme and location of future wells on the Blackrock structure.

Elsewhere within Providence's portfolio of interests the work programmes continue on our collective strategy in the Irish Celtic Sea and in St. George's Channel and on the Skye prospect in the UK North Sea. Providence is also reviewing other potential prospects for expansion of its portfolio.

Since the re-financing of Providence's balance sheet earlier this year, raising working capital and eliminating all corporate debt, Providence's finances continue on a sound footing.

Commenting on the well results, Dr. Brian Hillery, Chairman of Providence said:

“While the IRL49/26-1A well results are inconclusive and require further evaluation, it is known that large structures such as Blackrock often require a number of wells to determine commerciality. The presence of well developed reservoir intervals is very encouraging and the valuable data gained will enable Providence to map out a forward programme for the Blackrock structure in which we believe there remains significant hydrocarbon potential.

Elsewhere work programmes are ongoing on Providence's portfolio offshore Ireland and in the UK for which Providence is soundly financed.”

ENDS

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