



OPERATIONAL UPDATE KISH BANK BASIN

- **VOLUNTARY SURRENDER OF FORESHORE LICENCE**
- **DELAY IN PLANNED PROGRAMME**

Providence Resources P.L.C., (“Providence”) the London (AIM) and Dublin (ESM) listed oil and gas exploration and appraisal company, announces that it has surrendered the Foreshore Licence (“Licence”) granted over an area in the Kish Bank Basin, offshore Dublin. The Licence was awarded by the Foreshore Unit of the Irish Department of Environment, Community and Local Government on 27th September 2012 and permitted the carrying out of a well site survey and the drilling of an exploration well in the Kish Bank Basin, located within Standard Exploration Licence (SEL) 2/11. Providence holds a 50% interest in SEL 2/11 which it operates on behalf of itself and its partner, PSE Seven Heads Limited, a wholly owned subsidiary of PETRONAS.

The decision to surrender the Licence was taken by Providence and its partner following discussions with the Department of Environment, Community and Local Government when it became clear that there were certain elements of the EU, EIA Directive that were not transposed correctly in 1999 by the Irish Government. The lack of clarity on this issue meant that the Foreshore Licence, and subsequent exploration activities, could have been subjected to ongoing legal challenges and undue delays. The decision to surrender the Foreshore Licence now means that the Minister can move immediately to amend planning and environment regulations thereby ensuring that the Irish regulatory framework complies with the EU Directive. Once this is done, the Company will then be in a position to submit a new application to progress operations in the Kish Bank area.

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

“Providence complied fully with all environmental and planning regulations in applying for and subsequently receiving the Foreshore Licence. However, failure to transpose EU legislation correctly into Irish Law, by the Irish Government over a decade ago, left the Licence open to legal challenge, which could have resulted in undue delay in the Company carrying out its proposed activities. Whilst it is frustrating that this situation has arisen and caused a delay to our planned activities, we feel it is in the best interests for all concerned to surrender the Licence and allow the Government to make the necessary amendments and we can then make a new application to carry out our planned programme. Despite the delay to the planned drilling activities, we remain very excited about the potential of this exploration prospect.”

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ABOUT PROVIDENCE

Providence Resources Plc is an Irish based oil & gas exploration, appraisal and development company with a portfolio of appraisal and exploration assets offshore Ireland and the U.K. The Company is currently leading a circa \$500 million multi-year drilling programme on a number of exploration/development wells over multiple basins offshore Ireland, representing the largest drilling campaign ever carried out offshore Ireland www.providenceresources.com.

ANNOUNCEMENT

This announcement has been reviewed by John O'Sullivan, Technical Director, 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 20 years and is a fellow of the Geological Society of London and member of The Petroleum Exploration Society of Great Britain. Definitions in this press release are consistent with SPE guidelines.

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