

PROVIDENCE RESOURCES P.L.c.

**INTERIM REPORT AND FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30 JUNE 2003**

Highlights

- ♣ Blackrock prospect - grant of Licensing Option 03/1 (Providence 50% interest with the option to acquire 75%) - completion of work programme - identification of 5 oil prone hydrocarbon target horizons – unrisks potential recoverable volumes of up to 613 million barrels of oil.
- ♣ Collective strategy - grant of 2 new Licensing Options (03/8 and 03/7 - Providence 80% interest) taking in significant tranches of acreage offshore Ireland - an exciting portfolio combining existing discoveries supplemented by new large prospects with common synergies and upside potential
- ♣ UK North Sea licence award – containing the Skye oil prospect (Providence 45% interest)

Commenting on today's announcement, Dr. Brian Hillery, Chairman of Providence said:

Providence has now assembled a very strong portfolio of interests, focussed in the Celtic Sea and surrounding areas where the Irish Government's recent initiative on Licensing Options is already resulting in a rejuvenation of industry interest and activity.

Friday 31 October 2003

For reference:

Providence Resources P.L.c.

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PROVIDENCE RESOURCES P.l.c.

INTERIM REPORT AND FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2003

Chairman's Statement

Providence has made significant progress since the start of 2003 with the main highlights as follows:

- ♣ Blackrock prospect - grant of Licensing Option 03/1 (Providence 50% interest with the option to acquire 75%) - completion of work programme - identification of 5 oil prone hydrocarbon target horizons – unrisks potential recoverable volumes of up to 613 million barrels of oil.
- ♣ Collective strategy - grant of 2 new Licensing Options (03/8 and 03/7 - Providence 80% interest) taking in significant tranches of acreage offshore Ireland - an exciting portfolio combining existing discoveries supplemented by new large prospects with common synergies and upside potential
- ♣ UK North Sea licence award – containing the Skye oil prospect (Providence 45% interest)

Blackrock Prospect (Licensing Option 03/1)

The Blackrock prospect lies in about 100 metres of water some 35 kilometres south of the Marathon-operated Kinsale Head gas field and adjacent to the Seven Heads gas field, both of which are being rejuvenated by developments in Wealden reservoirs. Blackrock's main target is also in the Wealden.

The 2003 work programme has involved detailed examination, reprocessing and analysis of existing seismic and well data which has demonstrated a substantial (circa 30,000 acres) 4 way dip closed anticlinal structure with 5 separate target reservoir horizons. Further petrophysical well data processing and geochemical analysis of well cores and cuttings have indicated the presence of a live oil column of light to medium non waxy oil in the Wealden sands. This is in contrast to Kinsale and Seven Heads, both geographically close to Blackrock, which, whilst being gas prone, have associated underlying waxy oil. Based on analysis of the Blackrock work programme results, management estimates that the Blackrock prospect could contain an unrisks potential recoverable volume of up to 613 million barrels of oil.

Providence's original plans focussed on developing a multi-well programme for the Celtic Sea in 2005. However, in view of the significance of the results obtained on the Blackrock prospect, it has been decided to advance plans for the Celtic Sea area as quickly as is reasonably possible. As such an industry farmout process is currently underway for a well on Blackrock targeted for 2004 provided time and market conditions allow.

Providence currently holds, as Operator, a 50% interest in Licensing Option 03/1 (granted in February 2003) containing the Blackrock prospect. In addition, Providence has also negotiated with Midmar Energy Limited that, in return for Midmar's 50% interest, Midmar is funding 100% of the 2003 work programme and has granted Providence the option to increase its interest to 75% prior to 31 December 2003 by paying an equivalent percentage of the 2003 costs. The value of this option has clearly been enhanced by the results to date of the 2003 work programme.

Collective Strategy (Licensing Options 03/8 and 03/7)

Providence was very pleased to announce recently a significant expansion of its Irish oil and gas portfolio of interests with the granting of Licensing Options 03/8 and 03/7, commencing 1 October 2003, each for a 3 year term.

Licensing Option 03/8 (covering an area of 340 sq. kms.) in the North Celtic Sea Basin contains a combination of oil and gas discoveries and prospects known as Glandore, Ardmore, an enlarged Helvick area, and Blocks 50/11, 50/6&7. Licensing Option 03/7 (covering an area of 560 sq. kms.) in St. George's Channel Basin contains a number of gas prospects known as the Dionysus area.

Licensing Options 03/8 and 03/7 are both integral to Providence's collective strategy to pursue synergy for appraisal and development by combining existing discoveries with new large prospects to improve overall economics and reduce risk.

Providence holds an 80% interest in these 2 new Licensing Option areas. In addition, Providence has secured a success based bonus agreement with Midmar Energy Limited for Midmar's 20% entry into the Licensing Options. This agreement could provide Providence with up to US\$17 million for each field development within the 2 Licensing Option areas in addition to Providence's retained 80% interest. This level of return to Providence from Midmar reflects both the potential prospectivity for oil and gas in the areas as well as Providence's expertise in assembling the portfolio which was made possible by virtue of its extensive technical database offshore Ireland accumulated over 20 years.

UK Skye oil prospect

Providence was recently awarded a 45% interest (with partners Midmar as Operator 45%; Odegaard UK Limited 10%) in part-block 14/24a located in the UK Central North Sea adjacent to the Witch Ground Graben which is a prolific hydrocarbon producing area. The initial term of the licence is for two years from 1 October 2003 during which the planned work programme will comprise of the review and reprocessing of existing subsurface data.

The block contains the Skye prospect from which both oil and gas were recovered from the 1973 Shell operated 14/24-1 well. However, this well was never tested as the anticipated Jurassic reservoir target was not present. The partners have committed to re-evaluate existing data on the block, in relation to the potential recoverable oil encountered in the Devonian reservoir, which is the primary interval at the nearby Buchan oil field. In addition, the partners will evaluate high potential exploration targets around the flanks of the Skye structure during the licence term.

Financial

Turnover for the 6 month period to 30 June 2003 of €385,000 (first half 2002: €351,000) was generated from the Group's 20% producing interest in the onshore UK Singleton oil field. The Group's share of production in the first half of 2003 averaged 81 barrels of oil per day (bopd) at an average oil price of \$29.10 per barrel (first half 2002: 78 bopd at an average oil price of \$22.90 per barrel).

Gross profit increased to €216,000 (first half 2002: €119,000) and operating loss reduced to €21,000 (first half 2002: €56,000). The loss on ordinary activities after taxation was €157,000 (first half 2002: loss of €321,000) due primarily to a non-cash interest charge arising on convertible capital bonds of €129,000 (first half 2002: €246,000) which will be satisfied by the issue of ordinary shares in Providence Resources P.l.c. (see note 3).

Overview

Providence has now assembled a very strong portfolio of interests, focussed in the Celtic Sea and surrounding areas where the Irish Government's recent initiative on Licensing Options is already resulting in a rejuvenation of industry interest and activity.

The work programmes within our Irish portfolio are designed to utilise state of the art analytical techniques to demonstrate improved confidence and optimise the collective value of our interests for the introduction of new partners to advance through the drilling stage.

Any one of the major prospects within our portfolio has the potential to transform the value of Providence.

Dr. Brian Hillery
Chairman
31 October 2003

Note to Editors:

A location map of Providence's oil and gas interests is available electronically.

Providence Resources P.I.c.

**Consolidated Profit and Loss Account (unaudited)
For the 6 months ended 30 June 2003**

	6 months ended 30 June 2003 (unaudited) € 000	6 months ended 30 June 2002 (unaudited) € 000
Turnover	385	351
Cost of sales	(169)	(232)
	-----	-----
Gross Profit	216	119
Operating expenses	(237)	(175)
	-----	-----
Operating Loss	(21)	(56)
Interest receivable and similar income	1	2
Interest payable and similar charges	(137)	(267)
	-----	-----
Loss on Ordinary Activities before Taxation	(157)	(321)
Tax on ordinary activities	-	-
	-----	-----
Retained Loss for the Period	(157)	(321)
	=====	=====
 Profit and Loss Account		
At beginning of period	(24,138)	(23,741)
Retained loss for the period	(157)	(321)
	-----	-----
Profit and Loss Account, end of period	(24,295)	(24,062)
	=====	=====
 Loss Per Ordinary Share (cent)		
- Basic and fully diluted	(0.015c)	(0.036c)
	=====	=====

Providence Resources P.l.c.

Consolidated Balance Sheet as at 30 June 2003 (unaudited)

	30 June 2003 (unaudited) € 000	30 June 2002 (unaudited) € 000
Fixed Assets		
Oil and gas interests	6,763	6,305
Tangible assets	18	19
	-----	-----
	6,781	6,324
	-----	-----
Current Assets		
Debtors	430	441
Cash at bank and in hand	93	187
	-----	-----
	523	628
Creditors: Amounts falling due within one year	(731)	(401)
	-----	-----
Net Current (Liabilities)/Assets	(208)	227
	-----	-----
Total Assets Less Current Liabilities	6,573	6,551
Creditors: Amount falling due after more than one year	(286)	(286)
Provision for Liabilities and Charges	(1,485)	(1,475)
	-----	-----
Net Assets	4,802	4,790
	=====	=====
Capital and Reserves		
Called up share capital	12,750	10,772
Share premium	5,691	4,373
Capital conversion reserve	623	623
Convertible capital bonds	8,453	11,695
Profit and loss account	(24,295)	(24,062)
Foreign currency translation reserve	1,580	1,389
	-----	-----
Equity Shareholders' Funds	4,802	4,790
	=====	=====

Notes to the Interim Statement

1. The results for the six month periods ended 30 June 2003 and 2002 are neither audited nor reviewed.
2. The calculation of the loss per share is based on the loss for the period on ordinary activities after taxation of €157,000 divided by the weighted average number of ordinary shares in issue during the period on a basic and fully diluted basis of 1,062,442,163.

Convertible capital bonds and share options are not included in the calculation of fully diluted shares since the Company incurred a loss in the period which results in the impact of these bonds and options being anti-dilutive.

3. The Directors of Providence Resources Capital Limited as the issuer of the Convertible Capital Bonds have resolved that all obligations of the Bonds will be satisfied by the issue of ordinary shares in Providence Resources P.l.c. as provided for under the terms and conditions of their issue in June 2000.
4. The Interim Statement is being sent to registered shareholders and further copies will be available from the Company's offices at 60 Merrion Road, Dublin 4.