Providence Resources P.l.c. – 2019 Annual Results

Dublin and London – June 3, 2020 - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Energy company, today announces its Annual Results for the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

- Operating loss for the period of €25.936 million versus €4.425 million in 2018
- Loss for the year of €26.853 million versus €4.779 million in 2018
- Loss per share of 4.39 cents versus 0.80 cents in 2018
- At 31 December 2019 total cash and cash equivalents were €0.710 million versus €7.617 million (at 31 December 2018)
- The Company had no debt at 31 December 2019
- The total issued and voting share capital comprises 835,397,852 ordinary shares of €0.001 each as at 2 June 2020

2019 REVIEW

The international operating environment for the oil and gas sector was relatively stable in 2019 with commodity prices generally favourable, and with companies continuing to invest in new projects to meet ongoing fossil fuel demand. However, in Ireland the oil and gas industry suffered several setbacks, initially from the proposed Climate Emergency Measures Bill and, more recently, because of the Government's climate action agenda and the introduction of gas only exploration licences for new licence acreage. The Government confirmed in December that existing licences remain unchanged with exploration for and development of both gas and oil permitted.

2019 was an extremely challenging year for Providence Resources on several fronts. The management and board invested considerable resources working with APEC to progress a farm-out agreement for the Barryroe asset which, if successfully concluded, would have secured a field appraisal work programme and the progression of a phased field development plan. Despite comprehensive assurances received, and multiple contract extensions granted, APEC failed to make their promised investment in the project. The board eventually concluded that the farm-out would not proceed to completion and notified APEC of their breach of contract.

During the APEC farm out process, the joint venture partners applied for a lease undertaking permit from the Government, based upon the agreed farm out work programme. As an element of the lease undertaking application, both Lansdowne and Providence transferred 50% of their equity in SEL 1/11 to APEC. The terms of the transfer included a provision, through operator power of attorney, to transfer the equity back to the original owners should the farm out process fail to complete. Providence has exercised the operator's power of attorney and is working with DCCAE to finalise the reversion of the equity provisions to Lansdowne and Providence, the original equity holders.

Providence raised c. €3.4m (c. $3.76 million) (before expenses) from shareholders in September 2019 to support working capital requirements until February 2020 and fund a full re-structure of the business. This wider business re-structure resulted in a significant reduction in the Providence team and associated overheads, including the departure of the CEO and several Non-Executive Directors. The restructure was completed during February 2020 and working capital extended through end April 2020, following the implementation of additional cost reduction initiatives.

Alan Linn joined the business as CEO in January 2020 with a board mandate to revise the business strategy and prioritise the farm out of the Barryroe asset.

In early April 2020, Providence successfully raised c. €3m (c.$3.3million) (before costs) through a placing and subscription and is now funded until April 2021, ensuring sufficient time is available to complete an economically attractive farm out of the Barryroe Asset.

The April fundraise took place during what has proven to be an unprecedented worldwide health and economic emergency, with the world in "lock down" and crude prices moving briefly into negative pricing for the first time ever. Despite the difficult environment, the capital raise was a success thanks to the support of our shareholders.

BARRYROE OIL AND GAS FIELD (SEL1/11)

Natural gas is recognised by the Irish government as a key transition fuel and the development of the Barryroe Field for both Gas and Oil is expected to make a significant contribution to the Irish economy, particularly considering the economic impacts likely to be felt in Ireland because of the lockdown process which commenced in March and is expected to continue through July 2020.

The Barryroe Primary Reservoir, the Base Wealden Sand, has the potential to produce 340 MMBOE of recoverable light sweet crude oil and gas. (NASI CPR 2013), and this is expected to be confirmed during the proposed appraisal programme.

In January 2020, the Barryroe farm out process was re-invigorated, and several new parties introduced to the process. One of the groups was SpotOn Energy. Their business model involves working with an incentivised consortium of "world-class" service companies to deliver low cost and high-quality projects. The service company consortium contributes to the cost of the project and participates in project equity through a share in production revenues. SpotOn Energy manage the project interfaces and consider themselves to be a "facilitating operator" and project manager. Providence Resources has entered a period of exclusive negotiation with SpotOn Energy in relation to the Barryroe farm-out until October 2020, following SpotOn Energy's recent £500,000 investment in Providence.

LICENCE SUMMARY

The Providence licence portfolio contains several high risk/high reward exploration licences offshore West of Ireland. The prospective basins are in deep water; remain to be proven and are lightly explored. Following a detailed review, it was concluded that the likelihood of progressing the extensive work programmes which these licences require, are unlikely to progress in the mid-term in light of the uncertainty created by the governmen's ban on oil exploration for new licences. Several withdrawal applications have been submitted to the government with the aim of further reducing the Providence cost base and re-directing activity onto shallow water licences in proven basins with near term value potential.

A summary of the remaining licences is provided in the Table.

Licence	Issued	Asset	Operator	Partners	PVR %	Type
NORTH CELTIC SEA BASIN						
SEL 1/11	2011	Barryroe	Providence*	Lansdowne	80%	Appraisal/Exploration
SEL 2/07	2007	Hook Head	Providence	Atlantic, Sosina	72.5%	Appraisal
Lease Undertaking	2016	Helvick	Providence	Atlantic, MFDevCo, Lansdowne, Sosina	56.25%	Appraisal
Lease Undertaking	2016	Dunmore	Providence	Atlantic, MFDevCo, Sosina	65.25%	Appraisal
SOUTHERN PORCUPINE BASIN						
FEL 2/19	2019	Avalon	Providence	Sosina	80%	Exploration
FEL 3/04	2004	Dunquin	Eni	Sosina	26.85%	Exploration
KISH BANK BASIN						
SEL 2/11	2011	Kish Bank	Providence	N/A	100%	Exploration
ST GEORGE'S CHANNEL BASIN						
SEL 1/07	2007	Dragon	Providence	N/A	100%	Exploration/Appraisal

*Held through a wholly owned subsidiary Exola DAC

Withdrawal application submitted

During 2019 and early 2020 the following licences have been relinquished or withdrawal notices have been submitted.

Summary of recent relinquishments:
FEL 6/14 (Newgrange): Relinquished December 2019
FEL 2/14 (Diablo): Relinquished December 2019
FEL 2/14 (Spanish Point) Relinquishment expected to be effective June 2020 following a lengthy review process to agree work programme offsets with the government.
Both FEL 2/19 and FEL 3/04 have been flagged with the government as relinquishment candidates and the withdrawal process commenced for both licences.

BOARD TRANSITION

Dr. Angus McCoss, one of our independent directors has decided to re-enter industry in an executive capacity and will not be standing for re-election at the AGM. Angus has served the company since June 2017, helping to transition and stabilise the business in recent months. We wish him every success in his new venture. Angus will remain in position until the AGM on July 20 2020 when he will stand down as a director. A process is underway to identify a replacement(s) and introduce additional development and operational experience onto the board in line with the strategy to focus primarily on the appraisal and development of the Barryroe Oil and Gas Field.

INVESTOR ENQUIRIES

Providence Resources P.l.c. **Tel: +353 1 219 4074**
Alan S Linn,
Chief Executive Officer

Cenkos Securities plc **Tel: +44 131 220 9771**
Neil McDonald/Derrick Lee

J&E Davy **Tel: +353 1 679 6363**
Anthony Farrell

MEDIA ENQUIRIES

Murray Consultants **Tel: +353 1 498 0300 / +35387 255 8300**
Pauline McAlester

PROVIDENCE RESOURCES Plc

Condensed consolidated income statement
for the year ended 31 December 2019

	Notes	Year ended 31 December 2019 Audited €'000	Year ended 31 December 2018 Audited €'000
Continuing operations			
Administration expenses	**2**	**(4,542)**	(3,368)
Pre-licence expenditure		**(273)**	(334)
Impairment of exploration and evaluation assets		**(21,121)**	(723)
Operating loss	**1**	**(25,936)**	(4,425)
Finance income		**30**	96
Finance expense	**3**	**(947)**	(450)
Loss before income tax		**(26,853)**	(4,779)
Income tax expense		**-**	-
Loss for the financial year		**(26,853)**	(4,779)
Loss per share (cent)			
Basic and diluted loss per share	**7**	**(4.39)**	(0.80)

The total loss for the year is entirely attributable to equity holders of the Company.

PROVIDENCE RESOURCES Plc

Condensed consolidated statement of comprehensive income
for the year ended 31 December 2019

	Notes	Year ended 31 December 2019 Audited €'000	Year ended 31 December 2018 Audited €'000
Loss for the financial year		**(26,853)**	(4,779)
Other comprehensive loss			
Other items of comprehensive income that may be reclassified into profit and loss:			
Foreign exchange translation differences	**3**	**1,195**	2,703
Total comprehensive loss for the year		**(25,658)**	(2,076)

The total comprehensive loss for the year is entirely attributable to equity holders of the Company.

PROVIDENCE RESOURCES Plc

Condensed consolidated statement of financial position

as at 31 December 2019

	Notes	**31 December 2019 Audited €'000**	31 December 2018 Audited €'000
Assets			
Exploration and evaluation assets	4	**65,377**	81,867
Property, plant and equipment		**38**	28
Total non-current assets		**65,415**	81,895
Trade and other receivables		**398**	464
Cash and cash equivalents		**710**	7,617
Total current assets		**1,108**	8,081
Total assets		**66,523**	89,976
Equity			
Share capital	5	**71,512**	71,452
Share premium	5	**251,300**	247,918
Undenominated capital		**623**	623
Foreign currency translation reserve		**10,087**	8,892
Share based payment reserve		**642**	1,745
Retained deficit		**(274,898)**	(248,759)
Total equity attributable to equity holders of the Group		**59,266**	81,871
Liabilities			
Decommissioning provision	6	**5,733**	7,406
Lease liability		**9**	-
Total non-current liabilities		**5,742**	7,406
Trade and other payables		**1,515**	699
Total current liabilities		**1,515**	699
Total liabilities		**7,257**	8,105
Total equity and liabilities		**66,523**	89,976

PROVIDENCE RESOURCES Plc

Condensed consolidated statement of changes in Equity

for the year ended 31 December 2019

	Share Capital €'000	Undenominated Capital €'000	Share Premium €'000	Foreign Currency Translation Reserve €'000	Share Based Payment Reserve €'000	Retained Deficit €'000	Total €'000
At 1 January 2018	**71,452**	**623**	**247,918**	**6,189**	**1,502**	**(243,980)**	**83,704**
Total comprehensive expense							
Loss for financial year	-	-	-	-	-	(4,779)	**(4,779)**
Currency translation	-	-	-	2,703	-	-	**2,703**
Total comprehensive expense	**-**	**-**	**-**	**2,703**	**-**	**(4,779)**	**(2,076)**
Transactions with owners, recorded directly in equity							
Share based payments expense	-	-	-	-	243	-	**243**
Share options lapsed in year	-	-	-	-	-	-	**-**
Transactions with owners, recorded directly in equity	**-**	**-**	**-**	**-**	**243**	**-**	**243**
At 31 December 2018	**71,452**	**623**	**247,918**	**8,892**	**1,745**	**(248,759)**	**81,871**
At 1 January 2019	**71,452**	**623**	**247,918**	**8,892**	**1,745**	**(248,759)**	**81,871**
Total comprehensive expense							
Loss for financial year	-	-	-	-	-	(26,853)	**(26,853)**
Currency translation	-	-	-	1,195	-	-	**1,195**
Total comprehensive expense	**-**	**-**	**-**	**1,195**	**-**	**(26,853)**	**(25,658)**
Transactions with owners, recorded directly in equity							
Share based payments expense	-	-	-	-	40	-	**40**
Share options lapsed in year	-	-	-	-	(1,143)	1,143	**-**
Shares issued in year	60	-	3,382	-	-	(429)	**3,013**
Transactions with owners, recorded directly in equity	**60**	**-**	**3,382**	**-**	**(1,103)**	**714**	**3,053**
At 31 December 2019	**71,512**	**623**	**251,300**	**10,087**	**642**	**(274,898)**	**59,266**

PROVIDENCE RESOURCES Plc

Condensed consolidated statement of cash flows

for the year ended 31 December 2019

	Year ended 31 December 2019	Year ended 31 December 2018
	Audited	**Audited**
	€'000	**€'000**
Cash flows from operating activities		
Loss after tax for year	**(26,853)**	**(4,779)**
Adjustments for:		
Depletion and depreciation	**35**	**55**
Amortisation of intangible assets	**-**	**88**
Impairment of exploration and evaluation assets	**21,121**	**723**
Finance income	**(30)**	**(96)**
Finance expense	**947**	**450**
Equity settled share payment charge	**40**	**243**
Foreign exchange	**(122)**	**(677)**
Change in trade and other receivables	**66**	**7,196**
Change in trade and other payables	**825**	**(10,885)**
Net cash outflow from operating activities	**(3,971)**	**(7,682)**
Cash flows from investing activities:		
Interest received	**30**	**96**
Acquisition of exploration and evaluation assets	**(6,075)**	**(5,043)**
Acquisition of property, plant and equipment	**(56)**	**(21)**
Net cash used in investing activities	**(6,101)**	**(4,968)**
Proceeds from issue of share capital	**3,442**	**-**
Issue costs	**(429)**	**-**
Net cash from financing activities	**(3,013)**	**-**
Net decrease in cash and cash equivalents	**(7,059)**	**(12,650)**
Cash and cash equivalents at 1 January	**7,617**	**19,603**
Effect of exchange rate fluctuations on cash and cash equivalents	**152**	**664**
Cash and cash equivalents at 31 December	**710**	**7,617**

PROVIDENCE RESOURCES Plc
Note 1

Reporting entity

Providence Resources Plc ("the Company") is a company domiciled in Ireland. The registered number of the Company is 268662 and the address of its registered office is Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7.

Basis of preparation

The consolidated preliminary financial results announcement of the Company, for the year ended 31 December 2019 comprises of the Company and its subsidiaries (together referred to as the "Group").

The financial information included in this consolidated preliminary financial results announcement has been extracted from the Group's Financial Statements for the year ended 31 December 2019 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year with the exception of the effect of the new accounting standards listed below. As permitted by European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report does not include all the information and disclosures required in the full statutory financial statements. The Group Financial Statements will be filed with the Company's annual return in the Companies Registration Office and circulated to shareholders in due course.

The information included has been derived from the Group Financial Statements which were approved by the Board of Directors on 2 June 2020. The auditors have reported on the financial statements for the year ended 31 December 2019 and their report was unqualified and contains a "material uncertainty related to going concern" paragraph (see going concern note below for further details). The financial information for the year ended 31 December 2018 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office. The financial information is presented in Euro, rounded to the nearest thousand where applicable.

The preparation of the condensed consolidated preliminary financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing this financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018, except as noted below.

Changes in significant accounting policies

Adoption of IFRS 16 Leases

The Group has initially adopted IFRS 16 Leases from 1 January 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Group has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

The adoption of IFRS 16 eliminated the classification of leases as either operating leases or finance leases and introduced a single lessee accounting model. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Impact of adoption of IFRS 16

The Group presents right-of-use assets in 'property, plant and equipment', in the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as follows.

		Land and buildings	Total
		€'000	€'000
	At 1 January 2019	46	46
	At 31 December 2019	27	27

The Group presents lease liabilities in 'creditors' in the balance sheet. The carrying amounts of lease liabilities are as follows.

		Current lease liabilities	Non-current lease liabilities	Total
		€'000	€'000	€'000
	At 1 January 2019	18	28	46
	At 31 December 2019	18	9	27

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised. Right-of-use assets are subject to impairment testing.

The lease liability is initially measured at the present value of certain lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. The Group has elected to avail of the practical expedient not to separate lease components from any associated non-lease components.

Going concern

The Group has a net asset position of €59.3m, including cash on hand of €0.7m at 31 December 2019. It recognised a loss for the year then ended of €26.9m.

The Directors have considered both current and future expenditure commitments and the options available to fund such commitments including further farm-out arrangements; equity funding alternatives and the implementation of further cost cutting measures.

In April 2020, the Group announced that it had entered into an exclusive non-binding agreement with SpotOn Energy for a period of six months. This period of exclusivity provides time for the Group and SpotOn Energy to progress financial terms and a work program which will materially reduce the Group's appraisal and development cost exposure. Under the term sheet, SpotOn Energy commits to funding the Barryroe appraisal and development program and contributing to certain operator costs. This outcome is dependent upon the successful completion of the farm-out arrangement with SpotOn Energy.

In April 2020, the Company raised c.€3m (c. USD $3.3m) (before related costs) through an equity and subscription placing. SpotOn Energy participated in the subscription placing, committing to invest £300,000 as part of the placing. The placing and subscription securities comprised of 1 ordinary share of €0.001, one 3p warrant (exercisable until May 2021) and one 9p warrant (exercisable until May 2022).

On 28 May 2020, the Company received the further £200,000 from SpotOn Energy that had been committed to be paid within six weeks of the announcement of the placing.

The Directors have reviewed the current climate legalisation and the commitment by the Irish government to meet the Paris targets on climate change and assessed the implications this is likely to have upon the business. They note that, whilst future oil exploration is now banned in Irish waters, all existing hydrocarbon licences will be allowed to run their full course. This change in policy does not impact the appraisal and development of Barryroe field.

The Directors have considered carefully the financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 30 June 2021. The Directors have concluded based on their consideration of these cash flow forecasts, including the factors outlined above, taking all information that is currently available into account and noting the main risk factor in these cashflow forecasts being the completion of a commercially acceptable farm-out arrangement with SpotOn Energy or obtaining an alternative farm-out partner, that the Group will have sufficient funds to cover the levels of working capital and capital expenditure expected over the next 12 months, consistent with its strategy as an exploration and development company.

These events and conditions including the completion of a farm-out arrangement with SpotOn Energy represents a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern, and the Directors note that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and the financial statements do not include any adjustments that would be necessary if this basis were inappropriate.

Operating segments

Operating segment information is presented in the consolidated financial statements in respect of the Group's geographical segments which represent the financial basis by which the Group manages its business.

Performance is measured based on segment result and total asset value as included in the internal management reports that are reviewed by the Group's board of Directors, who are determined to be the chief operating decision maker ("CODM"), which management believe is the most relevant information when evaluating the results of certain segments relative to other entities that operate within that industry.

All exploration and evaluation assets held by the Group are located in the Republic of Ireland and accordingly the Group has identified one reporting segment, being:

- Republic of Ireland exploration assets: oil and gas exploration assets in the Republic of Ireland

Note 2
Administration expenses

	Year ended 31 December 2019	Year ended 31 December 2018
	Audited	**Audited**
	€'000	**€'000**
Corporate, exploration and development expenses	**3,897**	4,766
Restructuring costs	**1,170**	-
Foreign exchange gain	**(120)**	(216)
Total administration expenses for the year	**4,947**	4,550
Capitalised in exploration and evaluation assets (Note 4)	**(405)**	(1,182)
Total charged to the income statement	**4,542**	3,368

Note 3
Finance Expense

	Year ended 31 December 2019	Year ended 31 December 2018
	Audited	**Audited**
	€'000	**€'000**
Recognised in income statement:		
Unwind of discount on decommissioning provision	521	382
Foreign exchange loss on decommissioning provision	424	68
Interest on right to use asset	2	-
Total finance expense recognised in income statement	**947**	**450**
Recognised in other comprehensive income:		
Foreign exchange translation differences on foreign operations	**1,195**	2,703

Note 4
Exploration and evaluation asset

	€'000
Cost and net book value	
At 1 January 2018	74,831
Additions	7,499
Administration expenses	1,182
Cash calls received in year	(3,638)
Impairment charge	(723)
Foreign exchange translation	2,716
At 31 December 2018	**81,867**
Additions	5,670
Administration expenses	405
Impairment charge (see below)	(23,763)
Foreign exchange translation	1,198
At 31 December 2019	**65,377**

The exploration and evaluation asset balance at 31 December 2019 relates to the Barryroe asset. The directors assessed all activities ongoing within exploration and evaluation assets and determined that an impairment charge of €23.8 million *(2018: €0.7 million)* was required at 31 December 2019. Following this assessment and impairment of certain assets, the directors reassessed the probable decommissioning period which resulted in a fair value credit of €2.6m to the income statement in the abandonment provision (see note 16). The net of these adjustments, €21.2m, is presented as impairment of exploration and evaluation assets within the income statement.

The directors recognise that the future realisation of the Barryroe asset is dependent on future successful exploration and appraisal activities and the subsequent economic production of hydrocarbon reserves.

Note 5
Share Capital and Share Premium

	Number ('000)	€'000
Authorised		
Deferred shares of €0.011 each (a) at beginning of year	1,062,442	11,687
Deferred shares of €0.011 each (a) each at end of year	9,944,066	109,385
Ordinary shares of €0.10 each at beginning of year	986,847	98,685
Ordinary shares of €0.001 each at end of year	986,847	987

(a) The deferred shares do not entitle the shareholder to receive a dividend or other distribution, do not entitle the shareholder to receive notice of or vote at any general meeting of the Company, and do not entitle the shareholder to any proceeds on a return of capital or winding up of the Company.

Note 5
Share Capital and Share Premium (continued)

		Share	Share
Issued	Number	capital	premium
	000's	€'000	€'000
Deferred Shares of €0.011 each			
At 31 December 2018	1,062,442	11,687	5,691
Re-designated as Ordinary Shares at 30 September 2019 (see below)	5,378,931	59,168	-
At 31 December 2019	**6,441,373**	**70,855**	**5,691**
Ordinary Shares of €0.001 each			
At 31 December 2018 (Ordinary Shares of €0.1 each)	597,659	59,765	242,227
Re-designated as Ordinary Shares at 30 September 2019 (see below)	597,659	597	242,227
Shares issued during the year	59,766	60	3,382
At 31 December 2019 (Ordinary Shares of €0.001)	**657,425**	**657**	**245,659**
At 31 December 2019 (Total Deferred and Ordinary Shares)	**7,098,798**	**71,512**	**251,300**

On 30 September 2019, the Company carried out a sub-division and re-designation of Ordinary shares, whereby each €0.10 Ordinary Share was converted into a €0.001 Ordinary Share and 9 Deferred Shares of €0.011 each.

On 30 September 2019, the Company issued 59,765,890 Ordinary Shares which raised approximately €3.44m ($3.76 million) before expenses.

Note 6
Decommissioning provisions

	2019	2018
	€'000	€'000
At beginning of year	**7,406**	6,956
Unwinding of discount	**521**	382
Foreign exchange loss	**448**	68
Fair value adjustment in provision liability	**(2,642)**	-
At end of year	**5,733**	7,406

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2025 and 2027. During the year, the Group reassessed the estimated decommissioning period and this has resulted in a fair value adjustment of €2.6m. This adjustment was netted against the exploration and evaluation impairment line within the income statement. The provision for decommissioning is reviewed annually. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% *(2018: 10%)* per annum, reflecting the associated risk profile.

Note 7
Earnings per share

	31 December 2019	**31 December 2018**
	Audited	**Audited**
	€'000	**€'000**
	Total	**Total**
Loss attributable to equity holders of the Company	**(26,853)**	(4,799)
The basic weighted average number of ordinary shares in issue is calculated as follows:		
In issue at beginning and end of year ('000s)	**597,659**	597,659
Adjustment for share issue in year	**14,308**	
Weighted average number of ordinary shares ('000s)	**611,967**	597,659
Basic and diluted loss per share (cent)	**(4.39)**	(0.80)

There is no difference between the basic loss per ordinary share and the diluted loss per ordinary share for the current year as all potentially dilutive ordinary shares outstanding are anti-dilutive in relation to continuing operations.

Note 8
Related party transactions

Mr. Tony O'Reilly, Chief Executive, held a service contract, effective from 1 April 2017, with the Company in respect of services outside of the Republic of Ireland through a company beneficially owned by him, Kildare Consulting Limited. This contract was renewed on 1 April 2019. The renewed contract was a for a two-year duration and was subject to a one-year notice's period. On the 6 December 2019, this contract was terminated by the Company. The emoluments and fees payable under the above-mentioned contract amounted to €865,950 for the year ended 31 December 2019. The above figure includes a settlement payment of €448,500 for the early termination of his contract.

Note 9
Commitments

The Group has capital commitments of approximately €0.6m to contribute to its share of costs of exploration and evaluation activities during 2020.

Note 10
Post Balance Sheet Events

In April 2020, the Company signed an exclusivity agreement with SpotOn Energy Limited ('SpotOn') covering the period to 31 October 2020. The objective of the agreement is to allow the Group and SpotOn to agree an appraisal work program for the development of the Barryroe field and to develop commercial terms with the aim of concluding a binding agreement within that period.

In April 2020, the Company announced that it raised c. €3m (c. $3.3m) (before expenses) in a placing and subscription of securities of the Company. Each of these securities comprised one of Ordinary share, one 3p warrant and one 9p warrant. SpotOn Energy invested £300,000 through the subscription agreement and has committed to investing a further c. €200,000 within 6 weeks of the placing announcement at the then market price by way of a further share subscription. All resolutions associated with the equity raising were passed at the Extraordinary General Meeting held on 5 May 2020.

On 28 May 2020, the Company received the £200,000 from SpotOn Energy and will issue the new shares based on the closing price of May 21, 2020 of £0.0327.

The Group is monitoring the impact of Covid-19 on its business and notes that it has had a negative impact on global demand due to the lockdowns which have been implemented around the world. While the Group does not currently produce oil or gas, the pandemic could have an impact on the timelines for working through our projects. The potential related impacts are considered non-adjusting events for these financial statements. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

There have been no other significant events since the balance sheet date which would require disclosure in or amendment of these financial statements apart from the above.