Annual Results

Providence Resources is pleased to announce the publication of its annual report and accounts for the year ended 31st December 2020.

Alan Linn, CEO of Providence comments: "The decision by the Board to take control of the Barryroe development is an important strategic moment for Providence. We are convinced it is the best way to deliver the full value potential from our Celtic Sea acreage for shareholders whose ongoing support is recognised and appreciated."

Financial summary:

- Operating loss for the period of €2.440 million versus €25.936 million in 2019.
- Loss for year of €10.358 million versus €26.853 million in 2019.
- Loss per share of 1.31 cents versus 4.39 cents in 2019
- At 31 December 2020, total cash and cash equivalents were €2.110 million versus €0.710 million in 2019.
- The Company has no debt as at 31 December 2020.
- In May 2020, the Board raised c. €3.0 million (gross proceeds) through the issue of 177,973,004 ordinary shares which comprised of one ordinary share, one £0.03 warrant which expired on 6 May 2021 and one £0.09 warrant which expires on 6 May 2022. The total proceeds raised in 2020 by the equity raise and conversion of warrants was c. €4.8 million gross.
- The total issued and voting share capital comprises 974,864,403 ordinary shares of €0.001 each as at 17 June 2021.

2020 in review

In March 2020 SpotOn Energy, a privately owned Norwegian oil and gas company, entered the Barryroe farmout process offering an attractive business model which included partnering with an incentivised consortium of "world-class" service companies to deliver a low cost, high-quality project. SpotOn Energy also committed to secure non-recourse financing for the full project development capital requirement. SpotOn were unable to meet the farmout conditions as agreed, and in April 2021 Providence elected to terminate the farm-out Agreement.

A Board review of the Barryroe project following termination of the farmout concluded that a significant opportunity exists to progress the Barryroe appraisal and development by taking direct control of all elements of the appraisal and development project.

Providence is building upon existing in-house project and technical competencies and has established the team required to fully resource the project design and development. Given the phased nature of the field appraisal and development this is a pragmatic and practical decision for Providence ensuring that project development expenditure is carefully managed and the reservoir development optimized.

The commercial relationships with service providers, established during the farm-out process, have been refreshed and continue to present an opportunity for Providence to work in partnership to optimise overall project development. Providence is also progressing discussions with several Norwegian banks proposing to raise a conventional bond to contribute a material portion of the Early Development Scheme capital requirement.

In May 2020 Providence raised €3.0 million by way of a placing of ordinary shares. This placing consisted of one share, one £0.03 warrant exercisable up to 6 May 2021 and one £0.09 warrant exercisable up to 6 May 2022. Together equity raised as well as the conversion of warrants contributed a total of €4.8 million in 2020 which will be primarily deployed to progress the Barryroe project.

In July 2020 Andrew Mackay joined the Board as a non-executive director bringing extensive industry experience. Subsequent to the year-end in May 2021 James Menton was appointed as a Senior Non-Executive Director. James Menton is a highly experienced advisor to a number of leading companies in Ireland and overseas.

Providence's primary focus is properly on Barryroe, however, our licenses in the North Celtic Sea hold significant near field appraisal and exploration potential and will be incorporated into future plans. The Jurassic formations beneath the proven lower Cretaceous reservoirs in Barryroe are an attractive prospect and the investment case for existing satellite discoveries is improved assuming that they can be utilised with future development infrastructure on Barryroe.

Elsewhere Providence has taken a pragmatic cost reduction approach in reducing its deep-water exploration portfolio along the western seaboard.

Barryroe remains a source of significant value

Technically and commercially the Barryroe oil and gas field has come of age. The large fields in the North Sea are declining and smaller more challenging fields are being developed. The Barryroe field economics are competitive with the best of the UK development projects. The field is located in shallow water just 50km from shore, far enough offshore not to be visible from land and close enough to access local services in Cork. Currently the oil production is expected to be lifted offshore from a Floating Production Storage Offshore (FPSO) vessel by shuttle tankers. The gas, when brought into production, is expected to be used to generate offshore power to both electrify the offshore processing facilities and supply electricity to the national grid by undersea cable. Commercial technology is available to introduce carbon capture offshore by sequestering the power generation exhaust gases which, with government support, will ensure that all the electricity produced from gas offshore is carbon neutral.

The regulatory process

The Irish government introduced a ban on new oil exploration in September 2019 in response to a call for direct action to reduce the impacts of climate change. The government has confirmed on many occasions that existing licenses are unaffected. Moreover, it has confirmed it will continue to progress existing licenses through their various stages, as the regulations intended. The constitutional property rights over existing licenses are expected to be further confirmed in the Climate Action Bill, which is expected to be finalised in legislation during 2021. The bill is designed to legislate for the introduction of various measures designed to transform Ireland into a low carbon economy by 2050. In April 2019 the Barryroe Partners applied for a Lease Undertaking to the Irish authorities. The Lease Undertaking application did not progress as APEC was unable to comply with the terms of the farmout agreement which was ultimately terminated. A Lease Undertaking submission is made to the government when a field has been discovered and additional work is proposed to confirm commerciality. An updated Lease Undertaking was submitted on 9 April 2021, more than three months before the end of the exploration license, as required by the regulator. The submission includes an updated work programme focusing upon proving commerciality for the EDS area and, subject to government approval, a declaration of commerciality and the award of a Petroleum Lease, prior to commencement of early production from the eastern panel area of the Barryroe Field.

The future

Providence has taken back control of the Barryroe appraisal and development work programme and, with government support and continuing shareholder backing, we expect to deliver an exceptional project which will support Ireland’s transition to a low carbon economy and produce significant benefits for the local economy through investment and employment at a time when the country is looking for economic certainty. The Board is grateful to each one of our shareholders for their continuing support and firmly believes the Barryroe field has come of age and with government support can be fully developed over the next few years.

The Company's Annual Report and Accounts for the year ended 31 December 2020 will be posted to shareholders in due course together with the notice of the 2021 Annual General Meeting, and will be available on the Company's website, https://www.providenceresources.com

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PROVIDENCE RESOURCES Plc
Condensed consolidated income statement
for the year ended 31 December 2020

	Notes	**Year ended 31 December 2020 Audited €'000**	Year ended 31 December 2019 Audited €'000
Continuing operations			
Administration expenses	**2**	**(2,163)**	(4,542)
Pre-licence expenditure		**(5)**	(273)
Impairment of exploration and evaluation assets		**(272)**	(21,121)
Operating loss	**1**	**(2,440)**	(25,936)
Finance income		**361**	30
Finance expense	**3**	**(8,279)**	(947)
Loss before income tax		**(10,358)**	(26,853)
Income tax expense		**-**	-
Loss for the financial year		**(10,358)**	(26,853)
Loss per share (cent)			
Basic and diluted loss per share	**7**	**(1.31)**	(4.39)

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 2020

	Notes	Year ended 31 December 2020 Audited €'000	Year ended 31 December 2019 Audited €'000
Loss for the financial year		**(10,358)**	(26,853)
Other comprehensive loss			
Other items of comprehensive income that may be reclassified into profit and loss:			
Foreign exchange translation differences	**3**	**(5,453)**	1,195
Total comprehensive loss for the year		**(15,811)**	(25,658)

The total comprehensive expense 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 2020

	Notes	31 December 2020 Audited €'000	31 December 2019 Audited €'000
Assets			
Exploration and evaluation assets	4	**60,425**	65,377
Property, plant and equipment		**13**	38
Total non-current assets		**60,438**	65,415
Trade and other receivables		**223**	398
Cash and cash equivalents		**2,110**	710
Total current assets		**2,333**	1,108
Total assets		**62,771**	66,523
Equity			
Share capital	5	**71,743**	71,512
Share premium	5	**256,773**	251,300
Undenominated capital		**623**	623
Foreign currency translation reserve		**4,634**	10,087
Share based payment reserve		**806**	642
Retained deficit		**(285,189)**	(274,898)
Total equity attributable to equity holders of the Group		**49,390**	59,266
Liabilities			
Decommissioning provision	6	**5,853**	5,733
Lease liability		**-**	9
Warrant liabilities	8	**3,555**	-
Total non-current liabilities		**9,408**	5,742
Trade and other payables		**815**	1,515
Warrant liabilities	8	**3,158**	-
Total current liabilities		**3,973**	1,515
Total liabilities		**13,381**	7,257
Total equity and liabilities		**62,771**	66,523

PROVIDENCE RESOURCES Plc
Condensed consolidated statement of changes in Equity
for the year ended 31 December 2020

	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 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**
At 1 January 2020	**71,512**	**623**	**251,300**	**10,087**	**642**	**(274,898)**	**59,266**
Total comprehensive expense							
Loss for financial year	-	-	-	-	-	(10,358)	**(10,358)**
Currency translation	-	-	-	(5,453)	-	-	**(5,453)**
Total comprehensive expense	**-**	**-**	**-**	**(5,453)**	**-**	**(10,358)**	**(15,811)**
Transactions with owners, recorded directly in equity							
Share based payments expense	-	-	-	-	448	-	**448**
Share options lapsed in year	-	-	-	-	(284)	284	**-**
Shares issued in year	231	-	5,473	-	-	(217)	**5,487**
Transactions with owners, recorded directly in equity	231	-	5,473	-	164	67	**5,935**
At 31 December 2020	**71,743**	**623**	**256,773**	**4,634**	**806**	**(285,189)**	**49,390**

PROVIDENCE RESOURCES Plc
Condensed consolidated statement of cash flows
for the year ended 31 December 2020

	Year ended 31 December 2020	Year ended 31 December 2019
	Audited	Audited
	€'000	€'000
Cash flows from operating activities		
Loss after tax for year	(10,358)	(26,853)
Adjustments for:		
Depletion and depreciation	24	35
Amortisation of intangible assets	-	-
Impairment of exploration and evaluation assets	272	21,121
Finance income	(361)	(30)
Finance expense	8,279	947
Equity settled share payment charge	448	40
Foreign exchange	21	(122)
Change in trade and other receivables	175	66
Change in trade and other payables	(700)	825
Net cash outflow from operating activities	(2,200)	(3,971)
Cash flows from investing activities:		
Interest received	1	30
Acquisition of exploration and evaluation assets	(845)	(6,075)
Acquisition of property, plant and equipment	(1)	(56)
Net cash used in investing activities	(845)	(6,101)
Proceeds from issue of share capital	4,836	3,442
Issue costs	(349)	(429)
Net cash from financing activities	4,487	3,013
Net increase/(decrease) in cash and cash equivalents	1,442	(7,059)
Cash and cash equivalents at 1 January	710	7,617
Effect of exchange rate fluctuations on cash and cash equivalents	(42)	152
Cash and cash equivalents at 31 December	2,110	710

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 2020 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 2020 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 and Euronext Growth Market 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 18 June 2021. The auditors have reported on the financial statements for the year ended 31 December 2020 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 2019 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 2019, except as noted below.

Changes in significant accounting policies
New and Amended Standards and Interpretations effective during 2020

The Group has applied the following standards, interpretations and amendments with effect from 1 January 2020
Amendment to IFRS 16 Leases Covid 19 - Related Rent Concessions
Amendments to IAS 1 and IAS 8: *Definition of Material*

Note 1 (continued)

Amendments to References to the Conceptual framework in IFRS Standards
Amendments to IFRS 3 Business Combinations; definition of a business
Amendments to IFRS 9, IAS 39 and IFRS 7: *Interest Rate Benchmark Reform*

The amendments and interpretations listed above did not result in material changes to the Group's Consolidated Financial Statements.

New and Amended Standards and Interpretations Issued but not yet Effective or Early Adopted
A number of new standards and interpretations have been issued but are not yet effective for the Group. These standards are either not expected to have a material effect on the Consolidated Financial Statements or they are not currently relevant for the Group.

Warrants

The Group classifies instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The warrants issued (as outlined in note 19) are derivative in nature and are liability classified. They do not qualify for equity classification as any cash settlement on exercise of these warrants will be received in a foreign currency (to the Group's functional currency), £ sterling. The warrant liabilities are recognised at their fair value on initial recognition and subsequently aremeasured at fair value through profit or loss. Any incremental direct costs associated with the issuance of warrants is taken as animmediate charge to finance costs through the income statement.

Going concern

The Directors have prepared the financial statements on a going concern basis which assumes that Group and Company will continue in operational existence for at least twelve months from the date of the approval of these financial statements.

The Group had net assets of €49.4m, including cash on hand of €2.1m at 31 December 2020. It recognised a loss after taxation of €10.4 million. Consequently, the Directors have considered both current and future expenditure commitments and the options available to fund such commitments including equity funding and other financing options in the twelve month period from the date of approval of these financial statements.

In May 2020, the company raised c. €3.0m (gross proceeds) through the issue of ordinary shares which comprised of one ordinary share, one £0.03 warrant which expired on the 6 May 2021 and one £0.09 warrant which expires on the 6 May 2022. A total of 177,973,004 warrants of £0.03 and 177,973,004 warrants of £0.09 were issued. By the 6 May 2021, 133,350,343 warrants of £0.03 were converted into ordinary shares, raising a total of €4.5m (£4.0m); €2.9m (£2.6m) of which was raised in 2021 with the conversion of 86,061,529 warrants. This represents a total conversion ratio of 74.9% for the £0.03 warrants and demonstrates the ongoing support of shareholders for the company.

The Standard Exploration License (SEL1/11) for Barryroe expires in July 2021 and the Company has applied for a Lease Undertaking License, which is the follow-on permit. The Lease Undertaking License, financial capability assessment and
work program are subject to government approval. The Directors anticipate that the lease undertaking will be granted as the Group has complied with all of the requirements for such approval. The

Directors note that the Irish Government has stated that all existing licences will be allowed to run their full life cycle.

The Directors have carefully considered the current financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 30 June 2022. Based on their consideration of the Group's cash flow forecasts, including appropriate underlying assumptions, and noting that the main risk factors in these cashflow forecasts are the granting of the Lease Undertaking on acceptable terms and conditions and the completion of an appropriate financing during the period, the Directors are satisfied that the Group will have access to sufficient funds to cover its working capital and capital expenditure expected over this 12 month period.

The Directors have considered the matters set out above and determined that the requirement to secure additional funding in the next 12 months constitutes 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 will have adequate resources to continue in operational existence for the foreseeable future. The Directors anticipate that an appropriate financing exercise will be successfully completed and note that the Group and Company has continued to have the strong support of shareholders. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and 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

PROVIDENCE RESOURCES Plc
Note 2
Administration expenses

	Year ended 31 December 2020	**Year ended 31 December 2019**
	Audited	**Audited**
	€'000	**€'000**
Corporate, exploration and development expenses	**2,142**	3,897
Restructuring costs	**-**	1,170
Foreign exchange loss/(gain)	**21**	(120)
Total administration expenses for the year	**2,163**	4,947
Capitalised in exploration and evaluation assets (Note 4)	**-**	(405)
Total charged to the income statement	**2,163**	4,542

Note 3
Finance Expense

	Year ended 31 December 2020	**Year ended 31 December 2019**
	Audited	**Audited**
	€'000	**€'000**
Recognised in income statement:		
Unwind of discount on decommissioning provision	565	521
Foreign exchange loss on decommissioning provision	-	424
Interest on right to use asset	1	2
Issue costs associated with the warrants	132	-
Movement in fair value of warrants	7,581	-
Total finance expense recognised in income statement	**8,279**	**947**
Recognised in other comprehensive income:		
Foreign exchange translation differences on foreign operations	**(5,453)**	1,195

PROVIDENCE RESOURCES Plc
Note 4
Exploration and evaluation asset

	€'000
Cost and net book value	
At 1 January 2019	81,867
Additions	5,670
Administration expenses	405
Impairment charge	(23,763)
Foreign exchange translation	1,198
At 31 December 2019	**65,377**
Additions	902
Cash calls received in year	(57)
Impairment charge (see below)	(272)
Foreign exchange translation	(5,525)
At 31 December 2020	**60,425**

The exploration and evaluation asset balance at 31 December 2020 relates to the Barryroe asset.

The directors assessed all activities ongoing within exploration and evaluation assets and determined that an impairment charge of €0.27 million *(2018: €23.8 million)* was required at 31 December 2020. The €0.27 million relates to residual costs for Dunquin and Avalon that were incurred in 2020. These licences have now been relinquished.

In 2019, the impairment charge was against West of Ireland licences (Dunquin, Avalon and Newgrange). 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 6). The net of these adjustments in 2019, €21.2m, was 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 the granting of the lease undertaking which is subject to government approval and future successful appraisal activities and the subsequent economic production of hydrocarbon reserves.

PROVIDENCE RESOURCES Plc
Note 5
Share Capital and Share Premium

	Number ('000)	€'000
Authorised		
Deferred shares of €0.011 each (a) at beginning of year	9,994,066	109,385
Deferred shares of €0.011 each (a) each at end of year	9,944,066	109,385
Ordinary shares of €0.001 each at beginning of year	986,847	987
Ordinary shares of €0.001 each at end of year	1,800,000	1,800

(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.

	Issued		Share	Share
		Number	capital	premium
		000's	€'000	€'000
	Deferred Shares of €0.011 each			
	At 31 December 2019	6,441,373	70,855	5,691
	At 31 December 2020	6,441,373	70,855	5,691

	Ordinary Shares of €0.001 each			
	At 31 December 2019	657,425	657	245,609
	Shares issued during the year	184,089	184	1,939
	Warrants exercised in year	47,289	47	3,534
	At 31 December 2020 (Ordinary			
	Shares of €0.001)	888,803	888	251,082
	At 31 December 2020 (Total			
	Deferred and Ordinary Shares)	7,330,176	71,743	256,773

PROVIDENCE RESOURCES Plc
Note 5
Share Capital and Share Premium *(continued)*

On 5 May 2020, the Company issued 177,973,004 Ordinary Shares as part of a placing and subscription agreement which raised c. €3.1m from security instruments before expenses. Each of these security instruments comprised of one Ordinary Share of €0.001, one £0.03 warrant and one £0.09 warrant.

On issuance, a fair value of €1.9m was attributed to the Ordinary Shares (share capital/share premium outlined above) and €1.2m to the Warrant instruments based on the effective share price at that date. In line with the Group's accounting policies these Warrants are presented as financial liabilities. The holder of each warrant can exercise its rights under the instrument which allows that holder to convert the warrant into one ordinary share, with a par amount of €0.001, by payment of the exercise price of £0.03 or £0.09, as applicable. The warrants are non-transferrable.

The £0.03 warrants expired in May 2021 while the £0.09 warrants expire in May 2022.

On 28 May 2020, the Company issued 6,116,208 Ordinary Shares through a subscription agreement which raised c. €0.2m.

During the year, there were 47,288,814 of the £0.03 warrants exercised out of the 177,973,004 that were issued as part of the equity raise in May 2020.

Note 6
Decommissioning provisions

	2019	2019
	€'000	€'000
At beginning of year	**5,733**	7,406
Unwinding of discount	**565**	521
Foreign exchange (gain)/loss	**(360)**	448
Fair value adjustment in provision liability	**-**	(2,642)
Translation adjustment	**(85)**	-
At end of year	**5,853**	5,733

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2025 and 2027.

In 2019, 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% *(2019: 10%)* per annum, reflecting the associated risk profile.

PROVIDENCE RESOURCES Plc
Note 7
Earnings per share

	31 December 2020	**31 December 2019**
	Audited	**Audited**
	€'000	**€'000**
	Total	**Total**
Loss attributable to equity holders of the Company	**(10,358)**	(26,853)
The basic weighted average number of ordinary shares in issue is calculated as follows:		
In issue at beginning and end of year ('000s)	**657,425**	597,659
Adjustment for share issue in year	**130,519**	14,308
Weighted average number of ordinary shares ('000s)	**787,944**	611,967
Basic and diluted loss per share (cent)	**(1.31)**	(4.39)

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. There were 37,850,000 (2019: 4,650,000) anti-dilutive share options in issue at 31 December 2020.

Note 8
Warrants

On 5 May 2020, the Company raised c. €3.1m by the issue of security instruments with each security instrument comprising oneordinary share, with a par amount of €0.001, one £0.03 warrant (expires in May 2021) and one £0.09 warrant (expires in May 2022). The fair value of the warrants was calculated using Black Scholes model. The following key input assumptions were applied to the initial valuation on issuance of these instruments:

	£0.03 Warrants	£0.09 Warrants
Number of warrants	177,973,004	177,973,004
Volatility	148%	148%
Time period	1 Year	2 Years
Dividend yield	0%	0%
Risk free interest rate	(0.01%)	(0.01%)
Exercise price	£0.03	£0.09
Placing effective Share price	0.01068	0.01068
Initial value of security	0.00299	0.00349
Fair value	€531,444	€621,982

The c. €3.1m raised before expenses, from previous and new shareholder investors, for the security instruments in May 2020 wasconsidered the transaction price fair value. The split of this fair value on issuance of these security instruments, based on a placing effective share price of €0.01068, was €0.531m for the £0.03 Warrants,

€0.622m for the £0.09 Warrants and €1.901m for the Ordinary Shares (split between share capital and share premium account).

During 2020, 47,288,814 of the £0.03 warrants were exercised. There were a number of warrant transactions exercised in each of the months. The key assumptions used in the calculation of their fair value at the exercise date are included in the table below. The weighted average closing price was used to reflect the number of transactions in each month.

	September 20	October 20	December 20
Number of warrants	24,648,335	10,966,667	11,673,812
Volatility	125%	125%	125%
Time period	0.58 Year	0.50 Year	0.33 Years
Dividend yield	0%	0%	0%
Risk free interest rate	(0.6%)	(0.6%)	(0.6%)
Exercise price	£0.03	£0.03	£0.03
Weighted average closing share price	€0.07	€0.08	€0.06
Fair value	€1,138,828	€557,901	€324,687

The fair value of the warrants exercised during the year is recognised as a finance expense of €2.02m in the income statement (see note 3) with a corresponding increase in share premium.

On 31 December 2020, the warrants were fair valued using appropriate inputs including the closing share price on that day of €0.055. The period of 18 months has been used for the volatility calculation for the £0.09p warrants which would expire on 6 May 2022 and the £0.03p warrants expired on 6 May 2020. The 4-month period for the £0.03p warrants was too short and would distort the volatility calculation as it is a key component when calculating the fair value using Black Scholes.
The fair value movement being the difference between initial valuation and 31 December 2020 valuation in the amount of €5.56m is recorded as a finance expense in the income statement.

	£0.03 Warrants	£0.09 Warrants
Number of warrants	130,684,190	Number of warrants
Volatility	125%	Volatility
Time period	.33 Year	Time period
Dividend yield	0%	Dividend yield
Risk free interest rate	(0.06%)	Risk free interest rate
Exercise price	£0.03	Exercise price
Closing share price 31 December 2020	€0.055	Closing share price 31 December 2020
Fair value as at 31 December 2020	3,157,748	Fair value as at 31 December 2020
The following table shows the fair value movement:		The following table shows the fair value movement:

PROVIDENCE RESOURCES Plc
Note 8 (continued)

	Number of Warrants	£0.03 Warrants	Number of Warrants	£0.09 Warrants	Total
		€’000		€’000	€,000
Initial valuation	**177,973,004**	**€531**	**177,973,004**	**€622**	**€1,153**
September 20 Exercised	24,648,335	€1,139	-	-	€1,139
October 20 Exercised	10,966,667	€558	-	-	€558
December 20 Exercised	11,673,812	€324	-	-	€324
Exercised fair value	**47,288,814**	**€2,021**	**-**	**-**	**€2,021**
Fair value as at 31 December 2020	**130,684,190**	**€3,158**	**177,973,004**	**€3,555**	**€6,713**
Fair value 2020		**€5,179**		**€3,555**	**€8,734**
Total Fair value movement recognised in the income statement (see note 3)		**€4,648**		**€2,933**	**€7,581**

Note 9
Related party transactions

Providence Resources Plc used the NRG for carrying out studies in 2020. The value of the work undertaken was €14,305.

Andrew Mackay who is a non-executive Director of Providence Resources Plc was the founder and is part owner of NRG.

Note 10
Commitments

The Group has capital commitments of approximately €3.6m to contribute to its share of costs of evaluation and appraisal activities during 2021.

Note 11
Post Balance Sheet Events

On 1 March 2021, the Company announced that it extended the farm-out agreement with SpotOn Energy by an additional two months until 30 April 2021 to allow it to complete its funding obligation as required under the farm-out agreement signed 30 November 2020.

On 22 April 2021, the Company terminated the farm-out agreement with SpotOn Energy as the key financing requirements were not met and announced that Providence Resources Plc will now lead the project.

A major shareholder (Pageant) has agreed to underwriting an equity placing up to $2.5m at £0.03p per share and one warrant of £0.03p which would raise a similar amount but underlines the support that the Company has from its shareholders to keep the project moving forward. The offer remains open until 30 June 2021.

By 6 May 2021, shareholders had exercised 86,061,529 of £0.03 warrants in the Company raising an additional £2.6m ($3.6m) since the year end. The overall conversion rate of the £0.03 warrants was 74.97% which shows the strong support that the Company has received from its shareholders.

On 7 May 2021, James Menton was appointed Senior Independent Non-Executive Director to the Board. He is a highly experienced advisor to some of Ireland and the world's leading companies with over two decades in professional advisory services. He was a partner with KPMG Ireland, following its merger with Andersen in 2002 where he had been a partner since 1986. During this time, he provided advice to many of Ireland's listed oil and gas companies among other Plc clients.

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.

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.