Annual Results

Dublin and London – 30th June 2022
Providence Resources P.l.c (PVR), the Irish based energy company, is pleased to announce the publication of its annual report and accounts for the year ended 31st December 2021.

James Menton, Executive Chair, Providence Resources, said:
"Successful optimisation of the Barryroe Field presents a unique opportunity to develop a critically important indigenous source of oil and gas, to substitute part of the imports that will be needed to meet ongoing demand during the energy transition. The Barryroe Field has the potential to create significant employment opportunities and provide strategic and fiscal value to the Irish economy, at no cost to the Irish taxpayer.

The key barrier to progressing the project is the delay in Ministerial consent for the Lease Undertaking, to permit us to drill an appraisal well next year. Once we have the results of this appraisal well, we are confident that our development plans can be progressed rapidly and Barryroe can have a significant impact on Ireland's security of energy supply over the next two decades. It's an opportunity we cannot afford to squander as, in any scenario to 2050, there is still some level of demand for oil and gas through the duration of the energy transition to Net Zero.

2021 OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational

- Barryroe, North Celtic Sea (SEL 1/11)
    - The exclusivity deal with SpotOn Energy was terminated in April 2021,
    - The new Board undertook a strategic review of the Barryroe field,
    - The K Site survey took place in Q3 2021 and was completed on time and under budget,
    - In December 2021, the Board announced its preliminary outcome of the strategic review.

Financial

- Operating loss for the period of €2.369 million versus €2.440 million in 2020,
- Profit for the year €3.442 million versus loss of €10.358 million in 2020. The profit figure for the year was impacted by the fair value gain in warrants of €5.643m (2020: €7.581m loss),
- Basic profit per share of 0.36 cents versus loss of 1.31 cents in 2020,

- Diluted profit per share of 0.30 cents versus loss of 0.91 in 2020,
- At 31 December 2021, total cash and cash equivalents were €1.923 million versus €2.110 million in 2020,
- The Company has no bank or bond debt as at 31 December 2021,
- As part of the fundraising in May 2020, the company issued one share, one £0.03 warrant and one £0.09 warrant. There were 86,061,529 of the £0.03 warrants exercised in 2021 raising c. €2.9m. The remaining £0.03 warrants expired on the 6 May 2021. No £0.09 warrants were exercised and they expired on the 6 May 2022.

2021 IN REVIEW

Board Changes

During 2021, there were a number of changes at Board level. The Chairman, Pat Plunkett, resigned his position in July, at which time James Menton was appointed Chairman. Ann-Marie O'Sullivan and Peter Newman joined the Board in July 2021, bringing a wealth of industry and strategic communications experience to the Board. In October, Alan Linn resigned from his position as Chief Executive and, pending the recruitment of a successor, James Menton temporarily took on executive responsibilities.

Strategy

Since its formation in July 2021, the new Board has adopted a realistic and pragmatic approach to the formulation of its Barryroe Strategy. The Board has given careful regard to the dynamics of the current regulatory environment and the energy transition issues of security of supply, growing energy demand and the continuing need to attract foreign direct investment as Ireland moves towards carbon neutrality by 2050. From early August 2021, the Board immediately reassessed its key objectives and priorities. The initial and continuing priorities are as follows:

- Follow-up and engagement with the GeoScience Regulation Office (GSRO) in relation to the application for the Lease Undertaking.
- Ensuring that the Company has the breadth and depth of experience, competency and skills within the technical team to support the Board in the formulation and delivery of the Barryroe Strategy.
- Enhancing the understanding of the Barryroe Project and the opportunities it presents for shareholders and all other key stakeholders.

The Barryroe Lease Undertaking – Status

The granting of the Barryroe Lease Undertaking by Minister Eamon Ryan is fundamental to the execution of the Board's strategy. Securing the Lease Undertaking has been, and continues to be, the Board's main focus.

Since August 2021, the Board has engaged proactively with the GeoScience Regulation Office (GSRO) and has written on a number of occasions to Minister Eamon Ryan, asking him to grant the Lease Undertaking as a matter of urgency. The Board has also engaged with a number of other key stakeholders, including public representatives, in order to move the DECC/GSRO review process forward. Despite a number of attempts to engage directly with Minister Ryan and other members of the Government, a decision on the Lease Undertaking is still outstanding.

In the Board's view, there is no justification for this ongoing delay, as it believes that all required technical and financial information in relation to the Barryroe Lease Undertaking has been submitted to the GSRO. The Board believes that Minister Ryan's delay in progressing the application represents a clear missed opportunity to help to ensure Ireland's energy security. The Board is confident that the Barryroe Field offers a highly valuable resource that, at no cost to the State, could contribute to:

- Ireland's energy security over the next decade.
- Ireland's energy transition to a carbon neutral economy.
- carbon reduction through import substitution.
- significant job creation and tax contributions.

Irish Government Policy and Barryroe

In September 2019, the Irish Government affirmed that all existing licences, which included Barryroe, would be allowed to run their full term. It should be firmly understood that Barryroe is a discovered oil and gas field, not a wildcat prospect, in relatively shallow waters not far off the coast of Cork. It requires an appraisal well to be drilled to confirm the reservoir and hydrocarbon characteristics before a phased development can be initiated. That well can be progressed only once the Lease Undertaking is issued. It is our view that the potential offered by the successful exploitation of the Barryroe Field would be an important element in the execution of Government policy, as enunciated by the Department of the Environment, Climate and Communications' "Policy Statement on Security of Electricity Supply" (November 2021) and Section 3.7 of the "National Risk Assessment 2021/2022 – Overview of Strategic Risk".

As a bloc, the EU is desperately scrambling for options to move away from its dependence on Russian oil and gas and maintain future energy security. In Ireland, we don't need to go through the process of locating further oil and gas fields that the UK and Norway are now planning to undertake. We already have a discovery in Barryroe, however, until the Minister approves the Lease Undertaking, our near-term energy security is substantially in the hands of other countries.

Current Government policy does not restrict Ireland's use of hydrocarbon fuels; it merely precludes new searches for more of them in our own waters. The Board believe that the Irish Government's delay in allowing progress on its existing oil and gas licences, given the current energy security pressures, adds unnecessarily to the risk of energy shortages.

The Case for Barryroe

Geopolitical Challenges

The war in Ukraine has re-emphasised the value of national self-sufficiency across the whole range of primary energy sources. As Ireland moves towards a much bigger share of renewable sources through the transition to 2050, there will be an ongoing, albeit diminishing, level of residual demand for oil and gas to meet Ireland's energy consumption needs. The impact of rising imported energy prices and the growing potential for significant interruption to imported energy supplies is currently a key focus for all Governments throughout Europe.

Energy Security and Vulnerability

The Economic and Social Research Institute (ESRI) recently ranked Ireland as the fourth-most energy insecure country in Europe. Currently, Ireland imports 70% of its gas needs through two interconnectors running from Scotland to Ireland. The remaining 30% comes from the Corrib Field, which will be depleted by the end of the decade.

Ireland's reliance on the UK for our energy needs puts the country in an extremely vulnerable position and is totally unsustainable. Following Brexit, Ireland is no longer compliant with the EU's requirements for energy security according to the Commission for Regulation of Utilities (CRU). Ireland's gas import infrastructure currently runs through a "third country", and there is no legal obligation on the UK to consider Ireland's energy needs in the event of significant disruption. The irony is that Ireland has a unique opportunity to harness its own supply of oil and gas by optimising the Barryroe Field. Not to do so would, in the Board's view, have a detrimental impact on Ireland's energy transition and would represent a very significant missed opportunity from a strategic, fiscal and energy security perspective.

Energy Transition – The Need for Barryroe

Ireland has a clear goal of being carbon neutral by 2050 and we acknowledge that expanding renewable sources of energy must be the main focus in the years ahead. However, most of our transport options, including cars, vans and airplanes, run on oil and transitioning completely away from oil will not happen
overnight. In reality, Ireland's commitment to achieving net-zero carbon emissions by 2050 cannot be achieved without realistic transition planning. Successful exploitation of the Barryroe Field, in conjunction with industry and government, can contribute significantly to meeting Ireland's energy demand during the transition over the coming decades without prejudicing achievement of a carbon neutral economy in Ireland.

Environmental Benefits – Carbon Reduction Through Import Substitution

The benefits of indigenous sources of energy are significant. For example, gas produced in Ireland and in Europe results in up to 30% less carbon emissions than gas from outside Europe. This is due to a combination of more efficient production technologies and less energy expended due to shorter pipeline transport (given that long distance pipeline transport requires pumping booster stations).

Technical Strategy

The Board recognised the need to engage a team of experts to lead on the development of a technical strategy. In the wake of the failed "SpotOn" farm out, and the resumption of the Company's direct management of the Barryroe project, the Board evaluated Providence Resources' technical approach and expertise. The Board appointed NRG Well Management International Ltd (NRG) to lead the recruitment and organisation of an expanded technical team. The team completed four major studies to underpin the technical strategy, in particular an updated Competent Persons Report (CPR), commissioned from RPS Energy Consultants (RPS), which was completed at the beginning of February 2022.

The new report confirms 81.2 MMstb of Gross 2C oil resources that can be accessed through an initial two-phase development project, addressing one reservoir in the central segments of the Field only, those closest to the 2012 oil discovery well. The CPR, which remains consistent with the 2013 whole field assessment, confirmed a Net Present Value (NPV) of $401m to Providence Resources' interest in this initial project only, based on a 10% discount factor and a $70 Brent oil price. The phased project is
predicated on an initial appraisal well to confirm the reservoir and hydrocarbon phase characteristics in the key Basal Wealden A Sands. The initial project is also anticipated to advance the potential for

further development of other Barryroe reservoirs, including those holding its discovered gas resources.

The technical strategy for the Barryroe Field is ready to be implemented within a short timeframe. Subject to Ministerial consent for the Lease Undertaking, the Board has decided to proceed with an appraisal well in 2023. In expectation of a satisfactory outcome, the Board intends to proceed to a phased development leading to first production in 2026. The Company urgently requires a positive decision on the Lease Undertaking by Minister Eamon Ryan in order to ensure that the Barryroe Field can play a key role in Ireland's energy future.

Share Placing – June 2022

In June 2022, the Company raised gross proceeds of $1.8 million (equivalent to approximately STG£1.5 million) through the subscription for 45,312,316 Placing Securities and 51,686,693 Subscription Securities (each of which shall comprise one New Ordinary Share and one STG1.5p Warrant). The allotment and issue of the Warrants is subject to and conditional upon the passing of certain resolutions in relation to the Warrants at the AGM by the requisite number of shareholders as required pursuant to the Companies Act. Together with existing resources, this additional funding is sufficient to meet the anticipated working capital requirements of the Group for at least the next 12 months.

Name Change – Barryroe Offshore Energy

The Company is proposing to change its name to Barryroe Offshore Energy, which will be subject to a shareholder's resolution at the AGM. The new name reflects the Board's ongoing and continuing focus on the Barryroe Field, as we look forward to a positive outcome from the appraisal campaign.

The Future

The Board is keenly aware of the global climate crisis, which has been exacerbated by an energy crisis as a result of the war in Ukraine. The impact of rising energy prices, and the potential for significant interruption to energy supplies, is a focus for governments throughout Europe. The challenges we face are stark and any disruption to energy supplies will lead to catastrophic economic and social impacts. The prospect of rolling blackouts and/or energy rationing would also threaten Ireland's ability to attract
ongoing foreign direct investment.

It is a strategic imperative that Irish Government policy allows for a balance between ideology and pragmatism with regard to energy policy. Ireland is now at a critical juncture in planning for its energy future and all agree that we will continue to require oil and gas to supplement available renewable sources for decades to come.

Annual Report and 2022 Annual General Meeting

The Company's Annual Report and Accounts for the year ended 31st December 2021 will be posted later today to shareholders, together with the notice of the 2022 Annual General Meeting. These will also be available on the Company's website: www.providenceresources.com

Investor Enquiries:

- Providence Resources P.l.c. — **Tel:** 353 1 219 4074
  James Menton
  Executive Chair

  Investor Relations — **Tel:** 353 87 6620234
  Job Langbroek

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

Media Enquiries:

- AM O'Sullivan PR — **Tel:** 353 87 9881890 / tina@amosullivanpr.ie
  Tina Quinn

PROVIDENCE RESOURCES Plc

Condensed consolidated income statement

for the year ended 31st December 2021

	Notes	**Year ended 31 December 2021 Audited €'000**	Year ended 31 December 2020 Audited €'000
Continuing operations			
Administration expenses	**2**	**(2,369)**	(2,163)
Pre-licence expenditure		**-**	(5)
Impairment of exploration and evaluation assets		**-**	(272)
Operating loss	**1**	**(2,369)**	(2,440)
Finance income	**3**	**6,699**	361
Finance expense	**4**	**(888)**	(8,279)
Profit/(loss) before income tax		**3,442**	(10,358)
Income tax expense		**-**	-
Profit/(loss) for the financial year		**3,442**	(10,358)
Profit/(loss) per share (cent)			
Basic profit/(loss) per share	**8**	**0.36**	(1.31)
Profit/(loss) per share (cent)			
Diluted profit/(loss) per share	**8**	**0.30**	(0.91)

The total profit/(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 2021

	Notes	**Year ended 31 December 2021 Audited €'000**	Year ended 31 December 2020 Audited €'000
Profit/(loss) for the financial year		**3,442**	(10,358)
Other comprehensive income			
Items that may be reclassified into profit and loss:			
Foreign exchange translation gains/(losses)	**4**	**4,982**	(5,453)
Total comprehensive income/(expense) for the year		**8,424**	(15,811)

The total comprehensive income/(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 2021

	Notes	**31 December 2021 Audited €'000**	31 December 2020 Audited €'000
Assets			
Exploration and evaluation assets	**5**	**66,983**	60,425
Property, plant and equipment		**1**	13
Total non-current assets		**66,984**	60,438
Trade and other receivables		**388**	223
Cash and cash equivalents		**1,923**	2,110
Total current assets		**2,311**	2,333
Total assets		**69,295**	62,771
Equity			
Share capital	**6**	**71,829**	71,743
Share premium	**6**	**260,272**	256,773
Undenominated capital		**623**	623
Foreign currency translation reserve		**9,616**	4,634
Share based payment reserve		**767**	806
Accumulated losses		**(281,370)**	(285,189)
Total equity attributable to equity holders of the Group		**61,737**	49,390
Liabilities			
Decommissioning provision	**7**	**6,056**	5,853
Warrant liabilities	**9**	**-**	3,555
Total non-current liabilities		**6,056**	9,408
Trade and other payables		**1,042**	815
Warrant liabilities	**9**	**460**	3,158
Total current liabilities		**1,502**	3,973
Total liabilities		**7,558**	13,381
Total equity and liabilities		**69,295**	62,771

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Condensed consolidated statement of changes in Equity

for the year ended 31 December 2021

	Share Capital €'000	Undenominated Capital €'000	Share Premium €'000	Foreign Currency Translation Reserve €'000	Share Based Payment Reserve €'000	Accumulated losses €'000	Total €'000
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)**
Foreign 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**
Total 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**
At 1 January 2021	**71,743**	**623**	**256,773**	**4,634**	**806**	**(285,189)**	**49,390**
Total comprehensive income							
Profit for financial year	-	-	-	-	-	3,442	**3,442**
Foreign currency translation	-	-	-	4,982	-	-	**4,982**
Total comprehensive income	**-**	**-**	**-**	**4,982**	**-**	**3,442**	**8,424**
Transactions with owners, recorded directly in equity							
Share based payments expense	-	-	-	-	338	-	**338**
Share options lapsed in year	-	-	-	-	(377)	377	**-**
Shares issued in year	86	-	3,499	-	-	-	**3,585**
Total transactions with owners, recorded directly in equity	86	-	3,499	-	(39)	377	**3,923**
At 31 December 2021	**71,829**	**623**	**260,272**	**9,616**	**767**	**(281,370)**	**61,737**

PROVIDENCE RESOURCES Plc

Condensed consolidated statement of cash flows

for the year ended 31 December 2021

	Year ended 31 December 2021	Year ended 31 December 2020
	Audited	**Audited**
	€'000	**€'000**
Cash flows from operating activities		
Profit/(loss) after tax for year	**3,442**	**(10,358)**
Adjustments for:		
Depreciation	**15**	**24**
Impairment of exploration and evaluation assets	**-**	**272**
Finance income	**(6,699)**	**(361)**
Finance expense	**888**	**8,279**
Share based payment charge	**338**	**448**
Foreign exchange	**(16)**	**21**
Change in trade and other receivables	**(165)**	**175**
Change in trade and other payables	**227**	**(700)**
Net cash outflow from operating activities	**(1,970)**	**(2,200)**
Cash flows from investing activities:		
Interest received	**-**	**1**
Acquisition of exploration and evaluation assets	**(1,492)**	**(902)**
Cash calls in respect of exploration and evaluation assets	**262**	**57**
Acquisition of property, plant and equipment	**(2)**	**(1)**
Net cash used in investing activities	**(1,232)**	**(845)**
Proceeds from issue of security instruments	**2,974**	**4,836**
Issue costs	**-**	**(349)**
Net cash from financing activities	**2,974**	**4,487**
Net (decrease)/increase in cash and cash equivalents	**(228)**	**1,442**
Cash and cash equivalents at beginning of year	**2,110**	**710**
Effect of exchange rate fluctuations on cash and cash equivalents	**41**	**(42)**
Cash and cash equivalents at end of year	**1,923**	**2,110**

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 2021 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 2021 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 23 June 2022. The auditors have reported on the financial statements for the year ended 31 December 2021 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 2020 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 2020, except as noted below.

Changes in significant accounting policies

New and Amended Standards and Interpretations effective during 2021

New and amended standards and interpretations

The following new standards and amendments were adopted by the Group for the first time in the current financial reporting period with no resulting impact to the consolidated financial statements:

• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2.

PROVIDENCE RESOURCES Plc

Note 1 (continued)

New and amended standards and interpretations (continued)

• Amendments to IFRS 16, COVID-19 Related Rent Concessions beyond 30 June 2021;
• Amendments to IFRS 4 Insurance Contracts – deferral of effective date of IFRS 9;

Forthcoming requirements

A number of new standards, amendments to standards and interpretations issued are not yet effective and have not been applied in preparing these financial statements. These new standards, amendments to standards and interpretations are not expected to have a material impact on the Group's financial statements as the Group has no transactions that would be affected by these new standards and amendments.

The principal new standards, amendments to standards and interpretations are as follows:

• Amendments to IAS 1 Classification of Liabilities as Current or Non-current;
• Amendments to IFRS 17, Insurance contracts: Initial application of IFRS 17 and IFRS 9;
• Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies;
• Amendments to IAS 8, Definition of Accounting Estimates;
• Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a single transaction;
• Amendments to IFRS 10 and IAS 28, Sale of contribution of Assets between an investor and its Associate or Joint Venture.

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 warrants liability amounts to €0.460 million at 31 December 2021 (2020: €6.713 million). The warrant liability is due to the warrants being issued in GBP while the functional currency of the Parent Company was EUR.

The warrants were issued as part of the share placing in May 2020. There were two sets of warrants attached to each share. The duration for the £0.03 was one year and for the £0.09 was two years. The £0.03 warrants expired on 6 May 2021. At 31 December 2021, the warrants valuation amount to €0.46m and represents management's best estimates of the liability for the £0.09 warrants. The key estimate in the valuation of warrants is the volatility rate applied. The period of 18 months was used for the volatility calculation for the £0.09 warrants which expired on 6 May 2022. The 4-month period for the £0.09 warrants was determined by management as too short and would distort the volatility calculation as it is a key component when calculating the fair value using Black Scholes; see note 19. The fair value movement of the warrants is recognised in the income statement as either finance income or finance expense, depending on the movement.

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.

At 31 December 2021, the Group had net assets of €61.737m, including cash on hand of €1.923m, having recorded a net cash outflow of €0.228m during the year. Having no source of operating revenues, in June 2022, the Company raised gross proceeds of $1.8 million (equivalent to approximately STG£1.5 million) through the subscription for 45,312,316 Placing Securities and 51,686,693 Subscription Securities (each of which shall comprise one New Ordinary Share and one STG1.5p Warrant) (note 12), demonstrating again the ongoing support of shareholders. Together with existing resources, this additional funding is sufficient to meet the anticipated working capital requirements of the Group for at least the next 12 months.

Note 1 (continued)

Going concern (continued)

In April 2021, the Group applied for a Lease Undertaking for the Barryroe Joint Venture, as the follow-on permit from the Standard Exploration Licence, SEL 1/11, which expired in July 2021. The proposed work programme centres on drilling an appraisal well, targeted for completion in 2023. The Directors note that the Irish Government has stated that all existing licences will be allowed to run their full life cycle. The Group has fulfilled all obligations relating to SEL 1/11 and the Directors believe the Barryroe Joint Venture has complied with all the requirements for Government approval of the Lease Undertaking, which would be backdated to run for upto four years from July 2021. Notwithstanding the delay thus far in securing Government consent, the Directors continue to expect that this next phase of the Barryroe Licence, and the associated proposed work programme, will finally receive approval in the coming months.

The work programme proposed under the Lease Undertaking, if granted, entails significant capital expenditure by the Barryroe Joint Venture. Consequently, prior to the letting of major commercial contracts for the appraisal well and related studies, the Directors have considered the Group's options available to fund its expenditure commitments, both current and contingent upon securing the Lease Undertaking. In particular, upon confirmation of approval of the Lease Undertaking, the Directors expect to raise substantial additional equity funding to meet the Group's share of the related obligations.

The Directors have carefully considered the current financial position of the Group and have prepared cash flow forecasts for the period to 30 June 2023, being the 12-month period from the date of approval of these financial statements. They note that the main risk factors in these forecasts are the granting of the Barryroe Lease Undertaking on acceptable terms and conditions and the completion of an appropriate further equity funding round during the period. Based on their consideration of the Group's cash flow forecasts, and the underlying assumptions, 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 outstanding Government consent to the Barryroe Lease Undertaking and the requirement, contingent thereon, to secure additional funding to pursue the related Barryroe appraisal work programme in the next 12 months, constitute material uncertainties that may cast significant doubt upon the Group's and Company's ability to continue as a going concern. Should the Lease Undertaking not be approved, or appropriate additional funding not then be secured, the Directors note that the Group and Company may 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 expect that the Barryroe Lease Undertaking will be approved and, noting that the Group and Company has continued to have ongoing support from shareholders, that an appropriate further fundraising will be successful. For these reasons, the Directors have adopted the going concern basis in preparing these annual financial statements, which do not include any adjustments that would be necessary if this basis were inappropriate.

Operating segments

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 2021	Year ended 31 December 2020
	Audited	Audited
	€'000	€'000
Corporate, exploration and development expenses	**2,385**	2,142
Foreign exchange gain	**(16)**	21
Total administration expenses for the year	**2,369**	2,163

Note 3
Finance Income

	Year ended 31 December 2021	Year ended 31 December 2020
	Audited	Audited
	€'000	€'000
Bank deposit interest income	**-**	1
Gain in fair value of warrants (note 9)	**5,643**	-
Redetermination of decommissioning provision (note 7)	**1,056**	-
Foreign exchange in decommissioning provision (note 7)	**-**	360
Total finance income recognised in income statement	**6,699**	361

Note 4
Finance Expense

	Year ended 31 December 2021	Year ended 31 December 2020
	Audited	Audited
	€'000	€'000
Unwind of discount on decommissioning provision (note 7)	593	565
Foreign exchange loss on decommissioning provision(note 7)	294	-
Interest on right to use asset	1	1
Issue costs associated with the warrants	-	132
Loss in fair value of warrants (note 9)	-	7,581
Total finance expense recognised in income statement	**888**	**8,279**

PROVIDENCE RESOURCES Plc

Note 5

Exploration and evaluation asset

	€'000
Cost and net book value	
At 1 January 2020	65,377
Additions	902
Cash call amounts received in year	(57)
Impairment charge	(272)
Foreign exchange translation	(5,525)
At 31 December 2020	**60,425**
Additions	1,492
Cash call amounts received in year	(262)
Decommissioning redetermination	287
Foreign exchange translation	5,041
At 31 December 2021	**66,983**

The exploration and evaluation asset balance at 31 December 2021 relates to the Barryroe asset.

The directors assessed all activities ongoing within exploration and evaluation assets and determined that no impairment charge *(2020: €0.27 million charge)* was required at 31 December 2021.

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, future successful appraisal activities and the subsequent economic production of hydrocarbons.

Note 6

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	1,800,000	1,800
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.

PROVIDENCE RESOURCES Plc
Note 6
Share Capital and Share Premium *(continued)*

Issued	Number 000's	Share capital €'000	Share premium €'000
Deferred Shares of €0.011 each			
At 31 December 2020	6,441,373	70,854	5,691
At 31 December 2021	6,441,373	70,854	5,691
Ordinary Shares of €0.001 each			
At 31 December 2020	888,803	889	251,082
Shares issued during the year	–	–	–
Warrants exercised in year	86,061	86	3,499
At 31 December 2021 (Ordinary shares of €0.001)	974,864	975	254,581
At 31 December 2021 (Total deferred and ordinary shares)	7,416,237	71,829	260,272

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 before expenses. Each security instrument comprised 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 could exercise its rights under the instrument which allowed 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.

On 28 May 2020, the company issued 6,116,208 Ordinary shares through a subscription agreement which raised approx. €0.2m. During 2020, 47,288,814 £0.03 warrants were exercised. The fair value of these exercised warrants was €2.021m.

The share capital and share premium total increase of €5.7m in 2020 comprised:

- €1.9m on 5 May from the placing of shares;
- €0.2m on the 28 May 2020 from the additional subscription;
- €1.557m being cash received upon the exercise of warrants; and
- €2.021m being the fair value of the warrants exercised.

During 2021, there were 86,061,529 £0.03 warrants exercised which raised approx. €2.974m. The remaining 44,622,661 £0.03 warrants expired on the 6 May 2021. No £0.09 warrants have been exercised and the £0.09 warrants expired on 6 May 2022.

The fair value of the £0.03 warrants that were exercised was recalculated at the time exercise. The fair value of 86,061,529 warrants of £0.03 exercised was calculated as €0.610m. This fair value is added to the actual cash raised of €2.974m to give a total increase in share capital and share premium of €3.585m.

PROVIDENCE RESOURCES Plc

Note 7

Decommissioning provisions

	2021	2020
	€'000	€'000
At beginning of year	**5,853**	5,733
Unwinding of discount	**593**	565
Foreign exchange (gain)/loss	**294**	(360)
Redetermination of decommissioning provision	**(769)**	
Translation adjustment	**85**	(85)
At end of year	**6,056**	5,853

During 2021, the Board undertook a strategic review of Barryroe. The outcome of this is that an appraisal well is planned to be drilled in 2023 preparatory to a phased development, with first oil production expected by the end of 2026 subject to Ministerial approval.

The Group anticipates that a decommissioning programme for other licence areas (since relinquished) will be undertaken at the same time as the Group's Barryroe wells, subject to regulatory consent and approval. Accordingly, all decommissioning is projected to take place in 2047.

The decommissioning provision is made up of a total of six wells. Five of the wells are held in the Parent Company, Providence Resources Plc, making up €4.633m of the decommissioning provision while the remaining well is held in Exola DAC for which the decommissioning provision is €1.423m.

The decommissioning provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices, based on external expert reports where available and is discounted at 1.3% (2020: 10%) per annum, reflecting the associated risk profile.

The Group undertook a review of the discount rate applied to the projected costs to derive the net present value. The Board used the 20-year Irish Government Bond rates of 1.30% as an appropriate discount rate. In relation to cost inflation, experience over the last decade indicates that advances in technology and operations in the decommissioning of wells, suggests that cost inflation may reasonably be expected to be offset by gains in efficiency so the net effective cost inflation rate used was zero.

As a result of the updated calculation, there was a net €0.769 million adjustment to the decommissioning provision at the end of 2021. €1.056 million credit was adjusted through the Parent Company. The offset to this figure was registered in the income statement as finance income. The remaining sum of €0.287 million charge related to the Barryroe well and was capitalised in the Exploration and Evaluation assets.

PROVIDENCE RESOURCES Plc
Note 8
Earnings per share

Earnings per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Total 2021 €'000	Total 2020 €'000
Profit/(loss) attributable to equity holders of the Company	**3,442**	(10,358)
The weighted average number of ordinary shares in issue is calculated as follows:	**2021**	2020
In issue at beginning of year ('000s)	**888,803**	657,425
Adjustment for shares issued in year	**58,520**	130,519
Weighted average number of ordinary shares ('000s)	**947,323**	787,944
	cent	cent
Basic profit/(loss) per share (cent)	**0.36**	(1.31)
The weighted average number of ordinary shares for diluted earnings per share calculated as follows:		
Dilutive share options	**39,683**	37,850
Dilutive warrants	**177,973**	308,657
Basic weighted average number of shares in issue during the year	**947,323**	787,944
Weighted average number of ordinary share	**1,164,979**	1,134,451
Diluted profit/(loss) per share (cent)	**0.30**	(0.91)

There is a difference between the basic profit per ordinary share and the diluted profit per ordinary share for the current year. However, for the prior year all potentially dilutive ordinary shares outstanding are anti-dilutive in relation to continuing operations. There were 39,683,000 *(2020: 37,850,000)* anti-dilutive share options in issue at 31 December 2021. There were 177,973,004 *(2020: 308,657,194)* anti-dilutive warrants.

PROVIDENCE RESOURCES Plc
Note 9
Share options and warrants

The Group operates employee share schemes as follows:

2009 Scheme

In 2009, the directors adopted a share option scheme which contains share growth performance criteria. The option price is the market price immediately preceding the date of grant. The "2009 scheme" operates as an equity-settled share option scheme and the options are granted subject to the following conditions:

(i) 50% of total options granted are exercisable after one year from the date of grant provided that the market price of the Company's shares has increased by a minimum of 25% and has maintained such increase over a period of three months prior to the exercise of any option.

(ii) The remaining 50% of the total options granted are exercisable after two years from the grant date provided the market price of the Company's shares has increased by a minimum of 50% from date of grant and has maintained such increase over a period of three months prior to the exercise of any option.

At 31 December 2021, options over 3,850,000 *(2020: 3,850,000)* shares remained outstanding at subscription prices ranging from €0.14 to €0.17, with a weighted average price of €0.152 *(2020: €0.152)*. These options expire at varying dates up to June 2024, with none exercisable at year end.

2020 Scheme

In 2020, the directors adopted a share option scheme which contains certain performance criteria. No options can be issued after 10 years of the scheme. The option price is the market price immediately preceding the date of the grant. The "2020 scheme" operates as an equity-settled share option scheme and the options granted are subject to certain conditions. No option is exercisable more than seven years after grant date and no option is exercisable within one year of grant.

During 2021, 18,000,000 share options were granted under the 2020 Share options scheme to directors.

The applicable criteria for the exercise of the options are;

(i) 33% of the total number of options granted are exercisable after one year of grant.

(ii) 33% of the total number of options granted are exercisable after two years of grant.

(iii) The remaining 33% of the total number of options granted are exercisable after a further year has elapsed.

Grant Date	**21 May 2021**	**18 August 2021**
Number of options granted	**9,000,000**	**9,000,000**
Volatility	**150%**	**98%**
Time period	**7 years**	**7 years**
Dividend yield	**0%**	**0%**
Risk free interest rate	**0%**	**0%**
Exercise price	**€0.038**	**€0.046**

PROVIDENCE RESOURCES Plc
Note 9
Share options and warrants (continued)

During the prior year, 36,500,000 share options were granted under the 2020 Share option scheme. Of that total, 31,500,000 options were granted to the then directors and 5,000,000 options were granted to employees.

The applicable criteria for the exercise of the options are;

(i) 33% of the total number of options granted are exercisable after one year of grant provided that the criteria agreed by the Remuneration committee have been met.

(ii) 33% of the total number of options granted are exercisable after two years of grant provided that the criteria agreed by the Remuneration committee have been met.

(iii) The remaining 33% of the total number of options granted are exercisable after a further year has elapsed provided that the criteria agreed by the Remuneration committee have been met.

Grant Date	**13 January 2020**	**6 April 2020**
Number of options granted	15,000,000	21,500,000
Volatility	103%	108%
Time period	7 years	7 years
Dividend yield	0%	0%
Risk free interest rate	(0.01%)	(0.01%)
Exercise price	£0.04	£0.03

At 31 December 2021, the closing share price was €0.0376 resulting in 9,500,000 options being exercisable.

Charge

The share-based payment charge for the year was €338,000 *(2020: €448,000).*

Warrants

On 5 May 2020, the Company raised €3.1m by the issue of security instruments with each security instrument comprising one ordinary 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

Note 9

Share options and warrants (continued)

The €3.1m raised before expenses, from previous and new shareholder investors, for the security instruments in May 2020 was considered 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 (note 6)).

During 2021, 86,061,529 of the £0.03 warrants were exercised. There were a number of warrant transactions exercised in each of the months before they expired on 6 May 2021. 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.

	January 21	February 21	March 21	April 21	May 21
Number of warrants	287,372	1,666,666	1,000,000	65,975,822	17,131,669
Volatility	135%	135%	135%	206%	208%
Time period	0.30 year	0.18 year	0.10 year	0.016 year	0.003 year
Dividend yield	0%	0%	0%	0%	0%
Risk free interest rate	(0.61%)	(0.61%)	(0.61%)	(0.61%)	(0.61%)
Exercise price	£0.03	£0.03	£0.03	£0.03	£0.03
Weighted average closing share price	€0.075	€0.075	€0.054	€0.0392	€0.038
Fair value	€12,685	€71,219	€23,419	€439,557	€62,804

The fair value of the warrants exercised during the year is recognised in the movement of the warrant liability with a corresponding increase in share premium.

On 31 December 2021, the £0.09 warrants were fair valued using appropriate inputs including the closing share price on that day of €0.0376. The period of 18 months has been used for the volatility calculation for the £0.09 warrants which expired on 6 May 2022. The 4-month period for the £0.09 warrants was too short and would distort the volatility calculation as it a key component when calculating the fair value using Black Scholes. The fair value movement being the difference between 31 December 2020 and 31 December 2021 valuation in the amount of €6.253m is recorded as finance income in the Income statement. No £0.09 options were exercised and all have now expired.

Warrants

	£0.03 Warrants	£0.09 Warrants
Number of warrants	0	177,973,004
Volatility	0%	144%
Time period	Expired	0.35 years
Dividend yield	0%	0%
Risk free interest rate	0%	(0.071%)
Exercise price	£0.00	£0.09
Closing share price 31 December 2021	€0.0376	€0.0376
Fair value as at 31 December 2021	-	€460,271

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Note 9
Share options and warrants (continued)

During 2020, 47,288,814 of the £0.03 warrants were exercised. There were a number of warrant of 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 year
Dividend yield	0%	0%	0%
Risk free interest rate	(0.6%)	(0.6%)	(0.6%)
Exercise price	£0.3	£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 €2.021m in the income statement 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 £0.09 warrants which expired on 6 May 2022 and the £0.03 which expired on 6 May 2021. The 4-month period for the £0.03 warrants was too short and would distort the volatility calculation as it 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	177,973,004
Volatility	125%	125%
Time period	.33 year	1.33 years
Dividend yield	0%	0%
Risk free interest rate	(0.06%)	(0.06%)
Exercise price	£0.03	£0.09
Closing share price 31 December 2020	€0.055	€0.055
Fair value as at 31 December 2020	3,157,748	3,555,240

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Note 9
Share options and warrants (continued)

The following table shows the fair value movement:

	Number of warrants	£0.03 warrants €'000	Number of warrants	£0.09 warrants €'000	Total €'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**
Total 2020 fair value loss recognised in the income statement (see note 4)		**€4,648**		**€2,933**	**€7,581**
January 21 Exercised	287,372	€13	-	-	€13
February 21 Exercised	1,666,666	€71	-	-	€71
March 21 Exercised	1,000,000	€23	-	-	€23
April 21 Exercised	65,975,822	€440	-	-	€440
May 21 Exercised	17,131,669	€63	-	-	€63
Exercised fair value movement recognised in the income statement	**86,061,529**	**€610**	**-**	**-**	**€610**
Fair value as at 31 December 2021	**-**	**-**	**177,973,004**	**€460**	**€460**
Total fair value gain recognised in the income statement for the period to 31 December 2021		**(€2,548)**		**(€3,095)**	**(€5,643)**

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Note 10
Related party transactions

The Group contracted NRG Well Management International Limited to carry out technical studies relating to Barryroe in 2021. The value of the work undertaken was €198,893 (2020: €14,305) and was procured on an arm's length basis. The balance outstanding as at 31 December 2021 was €177,564.

Andrew Mackay who is a non-executive Director of Providence Resources Plc, is Chairman and part owner of NRG.

AM O'Sullivan PR was engaged by the Group in 2021 to develop and coordinate a stakeholder management and communication strategy to improve the understanding of the Barryroe project. The amount paid under the contract in 2021 was €27,972 (2020: €nil) procured on an arm's length basis. There was no balance outstanding as at 31 December 2021.

Ann-Marie O'Sullivan, who is a non-executive Director of Providence Resources Plc, is the owner of AM O'Sullivan PR Limited.

Note 11
Commitments

The Group has capital commitments of approximately €0.183 million in respect of its share of costs of exploration and evaluation and appraisal activities to be incurred in 2022 However and subject to the timing of the Barryroe Lease Undertaking grant then the Group could have additional commitments of €1.3m for 2022 which comprise two years of Lease Undertaking fees (backdated to July 2021).

Note 12
Post Balance Sheet Events

On 6 May 2022, the 177,973,004 remaining £0.09 warrants expired. The warrants were issued as part of the fund raising in May 2020. No £0.09 warrants were exercised.

In June 2022, the Company raised gross proceeds of $1.8 million (equivalent to approximately STG£1.5 million) through the subscription for 45,312,316 Placing Securities and 51,686,693 Subscription Securities (each of which shall comprise one New Ordinary Share and one STG1.5p Warrant).

The total of 96,999,009 New Ordinary Shares have been issued pursuant to the Fundraising, representing less than 10 per cent of the Company's issued Ordinary Share Capital. In addition 96,999,009 warrants ("the STG 1.5p Warrants") will be issued to Placees and Subscribers. The allotment and issue of the Warrants is subject to and conditional upon the passing of certain resolutions in relation to the Warrants (the "Warrant Resolutions") at the AGM by the requisite number of shareholders as required pursuant to the Companies Act (the "Warrant Condition"). If the Warrant Condition is not satisfied, the Warrants will not be issued to the Placees and Subscribers. The issue of the Placing Shares and Subscription Shares is not conditional on the passing of the Warrant Resolutions.

On issue, the Warrants will entitle holders to subscribe for one new Ordinary Share for each Warrant held at an exercise price of STG£0.015 per Ordinary Share at any time for a period of 12 months following the date of satisfaction of the Warrant Condition.

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.