Providence Resources P.l.c.
2020 Half Year Results

Dublin and London – September 30th, 2020 - Providence Resources P.l.c. (PVR LN, PRP ID), the Irish based Energy Company, today announces its unaudited interim results for the half year ended June 30, 2020.

Highlights of the year to date;

- Change of company leadership with appointment of Alan Linn as CEO in early January 2020
- Substantial reduction in corporate operating cost base achieved (~63% reduction year on year)
- Company financial position stabilised through a successful share placing and subscription in April 2020
- Portfolio rationalised to establish clear focus on Barryroe development and adjacent Celtic Sea opportunities
- Barryroe farmout process refreshed, resulting in SpotOn Energy being granted exclusivity through to 31st October this year
- Consortium of global service industry leaders brought together to deliver the Barryroe project on a shared risk basis as part of proposed farmout
- Reversion of Barryroe interest, previously conditionally granted to APEC, nearing completion
- Relinquishment of all West of Ireland exploration licences underway
- Angus McCoss stepped down from the board following the AGM and was replaced by Andrew Mackay

Alan Linn, Chief Executive Officer commented:

"On joining Providence Resources in January 2020, I was tasked by the board with updating the company strategy and expediting implementation.

Providence Resources is now focused upon progressing the development of the Barryroe oil and gas field in the North Celtic Sea, offshore County Cork. Barryroe is one of the largest undeveloped offshore oil and gas fields in Europe and is unquestionably the core asset in our portfolio.

Good progress has been made to date, supported by a capital raising of $3.3million, before expenses, which provided working capital in April to fund the Barryroe farmout process and move the project into production through phased economic development.

In May 2020, there was a further £200,000 raised through a subscription agreement with SpotOn Energy Limited bringing their total investment in Providence Resources Plc to £500,000.

The Barryroe field was recognized as a valuable national resource in 2012, when Providence drilled the 48/24-10Z appraisal well and confirmed the presence of high-quality hydrocarbons, which tested at rates of ~4000BOEPD. Two independent resource reports confirmed Providence's *assessment of 346MMBOE of recoverable hydrocarbons within the assessed reservoirs, and a significant increase in recoverable volumes is expected to be proven once development drilling confirms the extent and quality of the additional reservoirs present within the Barryroe field structural closure.*

Providence is fully committed to push ahead with the production of both oil and gas from the Barryroe field and entered in a period of farmout exclusively with SpotOn Energy until October 31st, 2020, with the aim of agreeing a Barryroe field development partnership and a phased Barryroe development plan, designed to progress economic production from a low risk, low emissions, energy efficient hydrocarbon development offshore Ireland.

SpotOn Energy has established relationships with a consortium of world class services companies willing to underwrite the quality of the Barryroe project by taking development risk and deferring a portion of their normal fees into the production phase of the project. Farmout discussions are progressing on schedule.

In 2020 Ireland will import 100% of its oil and ~70% of its gas requirements. Energy security is essential for a strong economy, and government economic forecasts confirm the long term need for efficiently developed hydrocarbons to support energy reliability and stability in Ireland. Providence Resources considers the Barryroe development to be a project of national importance which, when approved and commissioned, will make a significant contribution to the Irish economy and exchequer and bring direct long-term financial benefits and employment to Cork and surrounding areas.

Concurrently, Providence Renewables (a 100% owned subsidiary of Providence Resources) is assessing the benefits of introducing carbon capture into the scope of the Barryroe development, with the ambition of delivering a sustainable hydrocarbon development in the Cork area. Carbon capture and storage (CCS), with government support, can ensure locally produced natural gas is a source of reliable carbon neutral energy, contributing to delivery of the government's target for a carbon neutral economy by 2050."

H1 2020 OPERATIONAL HIGHLIGHTS

Barryroe, North Celtic Sea (SEL1/11)
Reassignment of equity back to Providence/EXOLA and Lansdowne from APEC progressed with the Department of Communications Climate Action and the Environment (DCCAE).
A Lease Undertaking application to DCCAE is pending
2 Drilling Site Surveys complete
1 Planning Application to DCCAE is in the final stage of regulatory review and is expected to be awarded shortly.
The Farmout to SpotOn Energy is progressing on schedule and we are actively engaged in planning the development stages for this project and bringing a consortium of global service industry leaders to the table to partner in the development.

Dragon, St. George's Channel (SEL 1/07)
Under discussion with the regulatory authorities

Hook Head, North Celtic Sea (SEL 2/07)

Subject of Lease Undertaking application

Helvick/Dunmore, Celtic Sea (Lease Undertaking)
Subject to MFDevCO work programme

Kish Bank, Kish Bank Basin (SEL 2/11)
Licence expired August 17th, 2020.

Dunquin South, Southern Porcupine (FEL 3/04)
May 2020 Providence advised JV partners of its withdrawal from the licence. (Under discussion with the regulatory authorities)

Avalon, Southern Porcupine (FEL 2/19)
May 2020, Providence advised JV partners of its withdrawal from the licence. (Under discussion with the regulatory authorities)

Spanish Point, Northern Porcupine (FEL 2/04) Work programme complete. Relinquishment in progress

H1 2020 FINANCIAL HIGHLIGHTS

Operating loss of €1.063 million for the period compared to €5.309 million in 2019, attributable to the cost reduction initiatives put in place by the company

Core corporate administration expense of €0.819m (2019: €2.208m) down 63% year upon year due to the cost reduction program

Loss for the period was €9.247 million versus €5.543 million in 2019 (including €7.764 million in financing expense in relation to fair value movement of warrants issued during the period as part of the equity raise in May 2020)

Loss per share of 1.30 cents versus 0.93 cents in 2019

At 30 June 2020 total cash & cash equivalents were €2.269 million (2019: €1.788 million)

The Company had no debt at 30th June 2019 (2019: nil)

The total issued and voting share capital at 30th June 2020 was 841,514,060 ordinary shares of €0.001 each

POST H1 2020 EVENTS - BOARD CHANGES

On July 20th, 2020, the board accepted Angus McCoss's resignation from the board

Andrew Mackay was appointed as an Independent Non-Executive Director with effect from the 3 July 2020. Andrew Mackay has over 40 years' experience in the industry. He founded NRG Group in 1988 and has extensive experience in the upstream oil & gas with a focus upon well engineering and regulatory frameworks and control.

OUTLOOK

Providence Resources is funded through July 2021 and expects to complete the Barryroe Farmout within existing resources. During the April 2020 fund raise Providence Resource issued £0.03 and £0.09 warrants as part of the capital raise. There is an expectation that near-term funding will be met through warrant exercise following the completion of the farmout process. The recent exercise of 16,433,333 warrants has generated additional cash of £492,999.99 into the Company.

Following the recent general election, the Irish government extended the ban on future oil exploration to include gas. The government confirmed that existing licences would be unaffected and will proceed as normal. Providence Resources has title over several licences in the North Celtic Sea which contain both oil and gas discoveries. It is our intention to focus our technical efforts upon assessing near field exploration potential associated with existing discoveries, including Barryroe, and working with the government to maximise the economic recovery from our existing licences.

ANNOUNCEMENT & FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this announcement. Providence Resources P.l.c undertakes no obligation to update any forward-looking statements.

ABOUT PROVIDENCE RESOURCES PLC

Providence Resources P.l.c. is an Irish based Oil & Gas Energy company with a portfolio of appraisal and exploration assets located offshore Ireland. Providence's shares are quoted on the AIM in London and the Euronext Growth market in Dublin. Further information on Providence can be found on www.providenceresources.com

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PROVIDENCE RESOURCES P.l.c.

Condensed consolidated income statement

For the 6 months ended 30 June 2020

	Notes	6 months ended 30 June 2020 Unaudited €'000	6 months ended 30 June 2019 Unaudited €'000	Year ended 31 December 2019 Audited €'000
Continuing operations				
Administration expenses	2	(1,063)	(2,235)	(4,542)
Pre-licence expenditure		-	-	(273)
Impairment of exploration and evaluation assets	4,8	-	(3,072)	(21,121)
Operating loss		(1,063)	(5,307)	(25,936)
Finance income		1	22	30
Finance expense	3	(8,185)	(258)	(947)
Loss before income tax		(9,247)	(5,543)	(26,853)
Income tax expense		-	-	-
Loss for the period		(9,247)	(5,543)	(26,853)
Loss per share (cent) – continuing operations				
Basic and diluted loss per share	10	(1.30)	(0.93)	(4.39)

The total recognised loss for the period is entirely attributable to equity holders of the Company.
The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENCE RESOURCES P.l.c.

Consolidated statement of comprehensive income

For the 6 months ended 30 June 2020

	Notes	6 months ended 30 June 2020 Unaudited €'000	6 months ended 30 June 2019 Unaudited €'000	Year ended 31 December 2019 Audited €'000
Loss for the financial period		**(9,247)**	**(5,543)**	**(26,853)**
OCI Items that may be reclassified into profit or loss				
Foreign exchange translation differences		**206**	**389**	**1,195**
Total income recognised in other comprehensive income from continuing operations		**206**	**389**	**1,195**
Total comprehensive expense for the period		**(9,041)**	**(5,154)**	**(25,658)**

The total comprehensive expense recognised for the period is entirely attributable to equity holders of the Company.
The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENCE RESOURCES P.l.c.

Consolidated statement of financial position

As at 30 June 2020

	Notes	30 June 2020 Unaudited €'000	30 June 2019 Unaudited €'000	31 December 2019 Audited €'000
Assets				
Exploration and evaluation assets	4	65,940	83,214	65,377
Property, plant and equipment		24	75	38
Total non-current assets		65,964	83,289	65,415
Trade and other receivables	5	240	661	398
Cash and cash equivalents		2,269	1,788	710
Total current assets		2,509	2,449	1,108
Total assets		68,473	85,738	66,523
Equity				
Share capital	6	71,696	71,452	71,512
Share premium	6	253,240	247,918	251,300
Undenominated capital		623	623	623
Foreign currency translation reserve		10,293	9,281	10,087
Share based payment reserve		858	1,785	642
Retained deficit		(284,362)	(254,302)	(274,898)
Total equity attributable to equity holders of the company		52,348	76,757	59,266
Liabilities				
Decommissioning provision	8	6,014	7,674	5,733
Warrant liability	9	4,356	-	-
Lease liability		-	-	9
Total non-current liabilities		10,370	7,674	5,742
Warrant liability	9	4,561	-	-
Trade and other payables	7	1,194	1,307	1,515
Total current liabilities		5,755	1,307	1,515
Total liabilities		16,125	8,981	7,257
Total equity and liabilities		68,473	85,738	66,523

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENCE RESOURCES P.l.c.

Consolidated statement of changes in Equity

For the 6 months ended 30 June 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 2020	**71,512**	**623**	**251,300**	**10,087**	**642**	**(274,898)**	**59,266**
Loss for financial period	-	-	-	-	-	(9,247)	**(9,247)**
Currency translation	-	-	-	206	-	-	**206**
Total comprehensive income	-	-	-	206	-	(9,247)	**(9,041)**
Transactions with owners, recorded directly in equity							
Shares issued in period	184	-	1,940	-	-	(217)	**1,907**
Share based payments in period	-	-	-	-	216	-	**216**
At 30 June 2020	**71,696**	**623**	**253,240**	**10,293**	**858**	**(284,362)**	**52,348**
At 1 January 2019	**71,452**	**623**	**247,918**	**8,892**	**1,745**	**(248,759)**	**81,871**
Loss for financial period	-	-	-	-	-	(5,543)	**(5,543)**
Currency translation	-	-	-	389	-	-	**389**
Total comprehensive income	-	-	-	389	-	(5,543)	**(5,154)**
Transactions with owners, recorded directly in equity							
Share based payments in period	-	-	-	-	40	-	**40**
At 30 June 2019	**71,452**	**623**	**247,918**	**9,281**	**1,785**	**(254,302)**	**76,757**
At 1 January 2019	**71,452**	**623**	**247,918**	**8,892**	**1,745**	**(248,759)**	**81,871**
Loss for financial year	-	-	-	-	-	(26,853)	**(26,853)**
Currency translation	-	-	-	1,195	-	-	**1,195**
Total comprehensive income	-	-	-	1,195	-	(26,853)	**(25,658)**
Transactions with owners, recorded directly in equity							
Share based payments	-	-	-	-	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 P.l.c.

Consolidated statement of cash flows

For the 6 months ended 30 June 2020

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
	Unaudited	**Unaudited**	**Audited**
	€'000	**€'000**	**€'000**
Cash flows from operating activities			
Loss before income tax for the period	**(9,247)**	**(5,543)**	**(26,853)**
Adjustments for:			
Depletion and depreciation	**14**	**9**	**35**
Impairment of exploration and evaluation assets	**-**	**3,072**	**21,121**
Finance income	**(1)**	**(22)**	**(30)**
Finance expense	**8,185**	**258**	**947**
Equity settled share based payment charge	**216**	**40**	**40**
Foreign exchange	**34**	**(13)**	**(122)**
Change in trade and other receivables	**158**	**(197)**	**66**
Change in trade and other payables	**(321)**	**608**	**825**
Net cash outflow from operating activities	**(962)**	**(1,788)**	**(3,971)**
Cash flows from investing activities			
Interest received	**1**	**22**	**30**
Acquisition of exploration and evaluation assets	**(390)**	**(4,013)**	**(6,075)**
Acquisition of property, plant and equipment	**-**	**(56)**	**(56)**
Net cash used in investing activities	**(389)**	**(4,047)**	**(6,101)**
Cashflows from financing activities			
Proceeds from issue of security instruments (see note 6)	**3,277**	-	**3,442**
Security instrument Issue costs	**(350)**	-	**(429)**
Net cash from financing activities	**2,927**	-	**3,013**
Net increase/(decrease) in cash and cash equivalents	**1,576**	**(5,835)**	**(7,059)**
Cash and cash equivalents at beginning of period	**710**	**7,617**	**7,617**
Effect of exchange rate fluctuations on cash and cash equivalents	**(17)**	**6**	**152**
Cash and cash equivalents at end of period	**2,269**	**1,788**	**710**

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENCE RESOURCES P.l.c.
Note 1 – Accounting Policies

General Information

Providence Resources P.l.c ("the Company") is a Company incorporated and domiciled in the Republic of Ireland. The registration number of the Company is 268662 and the address of the registered office is Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7. The unaudited consolidated interim financial statements of the Company for the six months ended 30 June 2020 (the "Interim Financial Statements") include the Company and its subsidiaries (together referred to as the "Group"). The Interim Financial Statements were authorised for issue by the Directors on 30 September 2020.

Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The 30 June 2020 figures and the 30 June 2019 comparative figures do not constitute statutory financial statements of the Group within the meaning of the Companies Act, 2014. The consolidated financial statements of the Group for the year ended 31 December 2019, together with the independent auditor's report thereon, were filed with the Irish Registrar of Companies following the Company's Annual General Meeting and are also available on the Company's Website. The auditor's report on those financial statements was unqualified and contains a "material uncertainty related to going concern" paragraph.

The condensed set of financial statements included in this half-yearly financial report has been prepared on a going concern basis as the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future (See below for further details on the Directors assessment of going concern).

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual report.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of the Company and also the presentation currency for the Group's financial reporting.

Significant accounting policies (continued)

The significant accounting policies applied in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 December 2019.

As part of a funding round, the Company issued warrants during the current period. The Group's accounting policy relating to these is as follows:

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 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 are measured at fair value through profit or loss. Any incremental direct costs associated with the issuance of warrants is taken as an immediate charge to finance costs through the income statement.

Amendments to standards and interpretations which are effective for the Group from 1 January 2020 do not have a material effect on the results or financial posting in the interim financial statements as at and for the period ending 30 June 2020.

Going concern

The Directors have considered carefully the financial position of the Group and, in that context, have prepared the interim financial statements on a going concern basis.

The process of farming out Barryroe with SpotOn Energy Limited is ongoing and, once it is completed, will reduce the Group's cost exposure due to funding of the Barryroe program being provided by the SpotOn Energy consortium.

SpotOn Energy has exclusivity until 31 October 2020, with the aim of completing a farm-out agreement with the Group by that time. SpotOn Energy Limited invested £300,000 in the equity placing on 5 May 2020 and a further £200,000 through a subscription agreement on 28 May 2020.

Discussions are progressing, and on 31 July 2020 the Company announced the composition of the consortium participating in the Barryroe project. The consortium is made up of Schlumberger, AGR, Maresk Drilling, Keppel FELS, Aker Solutions and Aibel AS. The members of the consortium are "blue chip" service companies capable of progressing the project to the highest technical standards.

In the event that the farm-out does not complete with SpotOn Energy, the Group will re-commence the Barryroe farm-out process.

The business re-engineering has been completed in this period, and resulted in significant reductions in the Group's operating expenditure. Control of expenditure continues to receive a high priority.

Going concern (continued)

The Group is monitoring the impact of Covid-19 on its business and notes an impact on the global market and demand.

The Directors have reviewed the cashflow forecast for the next 12 months and the underlying assumptions. The primary risk factor relates to completion of the farm-out with SpotOn Energy. Taking into account all information currently available, including the recent equity placing with £0.03 and £0.09 warrants attached and other options available to fund the commitments, including other equity funding alternatives, the Directors believe that the Group will have sufficient funds available over the next 12 months to meet all its commitments as they fall due.

However, the failure to complete a farm-out on Barryroe represents a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern in the long term and that therefore the Group and Company may be unable to continue realising assets and discharging liabilities in the normal course of business.

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. Accordingly, the Directors have adopted the going concern basis in preparing the interim financial statements and the interim financial statements do not include any adjustments that would be necessary if this basis were inappropriate.

PROVIDENCE RESOURCES P.l.c.
Note 2 – Administration Expenses

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
	Unaudited	**Unaudited**	**Audited**
	€'000	**€'000**	**€'000**
Corporate, exploration and development expenses	819	2,208	3,857
Restructuring costs	-	580	1,170
Share based payment expense (note 11)	216	40	40
Foreign exchange losses/(gains) net	28	(86)	(120)
Total administration expenses for the period	**1,063**	**2,742**	**4,947**
Capitalised in exploration and evaluation assets	-	(507)	(405)
Total charged to the income statement	**1,063**	**2,235**	**4,542**

Note 3 – Finance Expense

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
	Unaudited	**Unaudited**	**Audited**
	€'000	**€'000**	**€'000**
Unwinding of discount on decommissioning provision (note 8)	287	213	521
Foreign exchange on decommissioning provision	-	45	424
Interest on right to use asset	1	-	2
Issued costs associated with the warrants	133	-	-
Movement in fair value of warrants (note 9)	7,764	-	-
Total finance expense recognised in income statement	**8,185**	**258**	**947**

PROVIDENCE RESOURCES P.l.c.
Note 4 – Exploration and evaluation assets

	€'000
Cost and book value	
At 1 January 2019	81,867
Additions	3,702
Cash calls received in period	(196)
Administration expenses capitalised	507
Impairment charge	(3,072)
Foreign exchange translation	406
At 30 June 2019	**83,214**
At 1 January 2019	81,867
Additions	5,670
Administration expenses capitalised	405
Impairment charge	(23,763)
Foreign exchange translation	1,198
At 31 December 2019	**65,377**
At 1 January 2020	65,377
Additions	390
Foreign exchange translation	173
At 30 June 2020	**65,940**

The exploration and evaluation asset balance at 30 June 2020 relates to the Group's Barryroe interest.

Note 5 – Trade and other receivables

	30 June 2020	30 June 2019	31 December 2019
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
VAT recoverable	46	72	53
Prepayments	155	190	242
Amounts due from joint operation partner	39	399	103
Total	**240**	**661**	**398**

PROVIDENCE RESOURCES P.l.c.
Note 6 – Share Capital and Share Premium

		Number	
Authorised:		**‘000**	**€’000**
At 1 January 2020			
Deferred shares of €0.011 each		9,944,066	109,385
Ordinary shares of €0.001 each		986,847	987
At 30 June 2020			
Deferred shares of €0.011 each		9,944,066	109,385
Ordinary shares of €0.001 each		1,800,000	1,800
	Number	**Share Capital**	**Share Premium**
Issued:	**‘000**	**€’000**	**€’000**
Deferred shares of €0.011 each			
At 31 December 2018 and 30 June 2019	1,062,442	11,687	5,691
Re-designated as Ordinary Shares at 30 September 2019	5,378,931	59,168	-
At 31 December 2019 and 30 June 2020	**6,441,373**	**70,855**	**5,691**
Ordinary share of €0.001 each			
At 31 December 2018 and 30 June 2019 (Ordinary Shares of €0.10 each)	597,659	59,765	242,227
Re-designated as Ordinary Shares of €0.001 each at 30 September 2019	597,659	597	242,227
Shares issued during the year	59,766	60	3,382
At 31 December 2019 (Ordinary shares of €0.001 each)	**657,425**	**657**	**245,609**
Shares issued in period	184,089	184	1,940
At 30 June 2020	**841,514**	**841**	**247,549**
At 30 June 2020 (Total deferred and Ordinary shares)	**7,282,887**	**71,696**	**253,240**

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 (note 9).

Note 6 – Share capital and Share premium (continued)

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 expire 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.

Note 7 – Trade and other payables

	30 June 2020	**30 June 2019**	**31 December 2019**
	Unaudited	**Unaudited**	**Audited**
	€'000	**€'000**	**€'000**
Accruals	487	882	385
Other payables	690	380	1,112
Lease liability	17	45	18
Total	**1,194**	**1,307**	**1,515**

Note 8 – Decommissioning provision

	30 June 2020	**30 June 2019**	**31 December 2019**
	Unaudited	**Unaudited**	**Audited**
	€'000	**€'000**	**€'000**
At beginning of year	5,733	7,406	7,406
Unwinding of discount	287	213	521
Foreign exchange (gain)/loss translation	(6)	55	448
Fair value adjustment in provision liability	-	-	(2,642)
Total	**6,014**	**7,674**	**5,733**

During 2019, the Group reassessed the estimated decommissioning period and this resulted in an adjustment of €2.6m. The 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

Note 8 – Decommissioning provision (continued)

calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% per annum, reflecting the associated risk profile.

Note 9 - Warrants

On 5 May 2020, the Company raised c. €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

The c. €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)).

On 30 June 2020, the warrants were fair valued using appropriate inputs including the closing share price on that day of €0.0448. The fair value movement being the difference between initial valuation and 30 June 2020 valuation in the amount of €7.764m going through the finance expense line in the income statement.

	£0.03 Warrants	**£0.09 Warrants**
Number of warrants	177,973,004	177,973,004
Volatility	148%	148%
Time period	.85 Year	1.85 Years
Dividend yield	0%	0%
Risk free interest rate	(0.01%)	(0.01%)
Exercise price	£0.03	£0.09
Closing share price 30 June	€0.0448	€0.0448
Fair value as at 30 June 2020	€4,560,940	€4,356,476

PROVIDENCE RESOURCES P.l.c.
Note 9 - Warrants (continued)

The following table shows the fair value movement:

Initial valuation		30 June 2020	Fair value movement
€'000		€'000	€'000
€531	£0.03 warrants	€4,561	€4,030
€622	£0.09 warrants	€4,356	€3,734
€1,153		€8,917	€7,764

Note 10 – Earnings per share

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
	Unaudited	Unaudited	Audited
	€'000	€'000	€'000
Loss attributable to equity holders of the company from continuing operations	(9,247)	(5,543)	(26,853)
The basic weighted average number of Ordinary shares in issue ('000)			
In issue at beginning of year and end of period	657,425	597,659	597,659
Adjusted for share issue in year	55,739	-	14,308
Weighted average number of ordinary shares	713,164	597,659	611,967
Basic and diluted loss per share (cent) – continuing operations	**(1.30)**	**(0.93)**	**(4.39)**

There is no difference between the loss per ordinary share and the diluted loss per share for the reported periods as all potentially dilutive ordinary shares outstanding are anti-dilutive.

There were 41,150,000 (2019: 28,325,000) anti-dilutive share options and 355,946,008 (2019: Nil) anti-dilutive warrants in issue as at 30 June 2020.

Note 11 – Share schemes

Share option schemes were introduced in August 1997 (expired August 2007), May 2005 (expired October 2015) and June 2009 (expired in June 2019) under which share options may be offered to employees, Directors and consultants. In addition, a long-term incentive plan was introduced in 2016. Options are recommended at a level to attract retain and motivate participants in the competitive environment in which the Group operates, The Remuneration Committee reviews and assesses proposals to grant share options to participants.

PROVIDENCE RESOURCES P.l.c.
Note 11 – Share schemes (continued)

The Group operates the following employee share schemes:

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. The "2020 scheme" was approved at the EGM on the 5 May 2020.

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 agreed criteria 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 agreed criteria 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 agreed criteria by the Remuneration committee have been met.

During the period, 36,500,000 share options were granted under the 2020 Share option scheme. 31,500,000 options were granted to the Directors and 5,000,000 options were granted to employees.

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

The total share based payments expense in the period to 30 June 2020 charged to the income statement was €216,000 (2019: €40,000).

Note 12 - Commitments

As at 30 June 2020, the Group has capital commitments of approximately €0.3m (31 December 2019: €0.6m) to contribute to its share of costs of exploration and evaluation activities.

PROVIDENCE RESOURCES P.l.c.
Note 13 – Post Balance Sheet Events

On 25 August 2020, 333,333 warrants were exercised for £0.03 each raising total equity of £9,999.99.

On 28 September 2020, 16,433,333 warrants were exercised for £0.03 each raising total equity of £492,999.99.

These £0.03 warrants were issued as part of the equity placing in May of this year.

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