

# Providence Resources P.l.c

**Investor Presentation**

**April 2018**

**PVR LN / PRP ID**

**AIM / ESM**

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# Ireland – Very Attractive for E&P

Proven hydrocarbon systems in **5** basins

**2** Major gas fields  
**1** oil appraisal project -  
**Barryroe**

World leading **fiscal** terms

**2015**  
Atlantic Margin – significant interest

Good **Port** & Infrastructure network – connected to **Europe**

Leading international **E&P** companies operating in **Ireland**




# Strategy – Portfolio, Partners & People

PORTFOLIO	PARTNERS	PEOPLE
<ul style="list-style-type: none"><li>• 100% Ireland focused</li><li>• Significant equity in material prospects &amp; projects</li><li>• Most diversified portfolio of licenses in Ireland</li><li>• 1<sup>st</sup> mover in 'right postcode'</li><li>• Undervalued – material discovered resource &amp; exploration potential</li></ul>	<ul style="list-style-type: none"><li>• Track record of successfully partnering with majors and super majors</li><li>• 4 x farm-outs signed over the past 12 months</li><li>• Significant industry interest offshore Ireland</li><li>• Actively evaluate M&amp;A and asset swap opportunities</li><li>• c.\$550m invested offshore Ireland since 2004 by PVR &amp; partners (ExxonMobil, Cairn, Eni, TOTAL, Repsol, Petronas)</li><li>• Strong share register – significant institutional support</li></ul>	<ul style="list-style-type: none"><li>• Dedicated in-house technical &amp; operational teams – a unique skill set offshore Ireland</li><li>• 20 years drilling in Ireland with &gt;175 years mgt. experience</li><li>• Track record of delivering successful farm-outs</li><li>• Successfully &amp; safely drilled the deepest water depth well offshore NW Europe</li></ul>

*Providence owns significant equity in material prospects & projects*

# World Class Assets & Partners

## SHALLOW OFFSHORE

**BARRYROE,  
HOOK HEAD,  
HELVICK, DUNMORE**



## DEEPWATER OFFSHORE

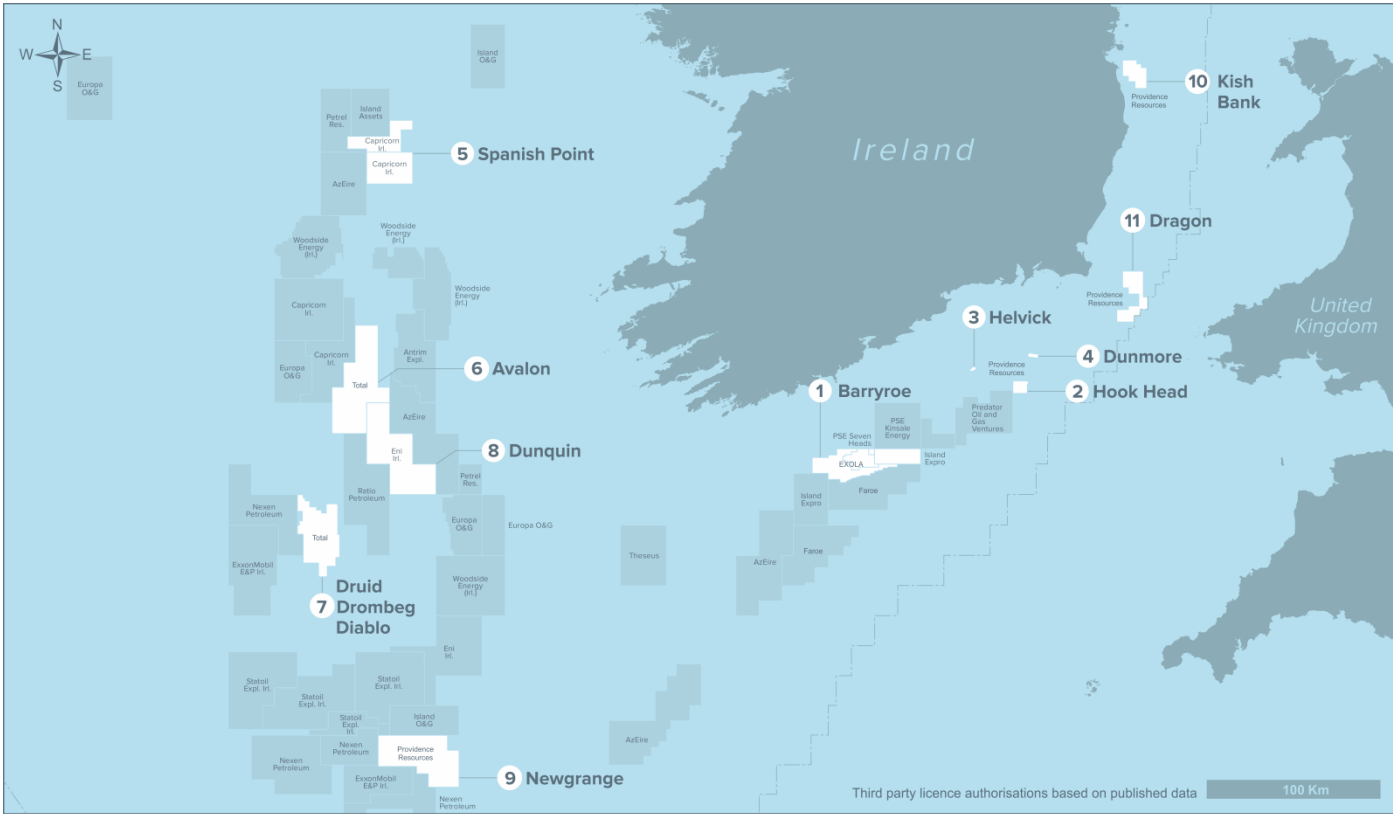
**DUNQUIN, DIABLO,  
NEWGRANGE, AVALON  
SPANISH POINT**

Photo courtesy of Stena Drilling Ltd.



**Lansdowne**  
oil & gas

**APEC Energy Enterprise Ltd.**  
APEC

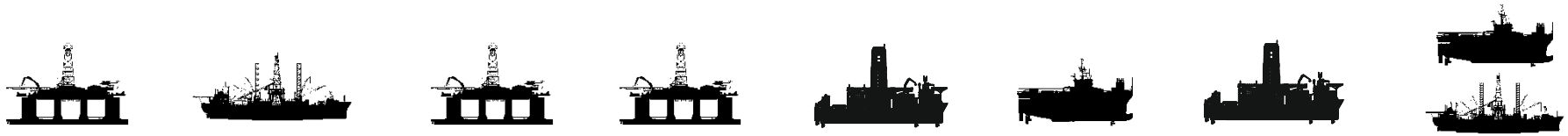


Third party licence authorisations based on published data

# Current Prospects & Projects – Appraisal / Exploration



BARRYROE (40.0%)*	SPANISH POINT (58.0%)	HELVICK / DUNMORE (62.5%)	HOOK HEAD (72.5%)	DIABLO (28.0%)	AVALON (40.0%)	DUNQUIN SOUTH (26.8%)	NEWGRANGE (80.0%)
 APEC Energy Enterprise Ltd.							
		 Lansdowne oil & gas		 		 	
<ul style="list-style-type: none"> <li>• Farm-out to APEC (50%)*</li> <li>• No cost exposure drilling of 3 wells plus associated side-tracks in 2019</li> <li>• Closing expected in Q3 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Farm-out process</li> <li>• Continue discussions on future license status</li> </ul>	<ul style="list-style-type: none"> <li>• Progress field assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Farm-out process</li> <li>• Progress field assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Farm-out to Cairn (30%) &amp; TOTAL (35%)</li> <li>• Post-well evaluation</li> <li>• Finalise Diablo resource potential</li> <li>• Monitor Iolar (Nexen CNOOC)</li> </ul>	<ul style="list-style-type: none"> <li>• Farm-out to TOTAL (50%)</li> <li>• Convert to FEL</li> </ul>	<ul style="list-style-type: none"> <li>• Eni assume operator.</li> <li>• 3D seismic evaluation for future drilling</li> </ul>	<ul style="list-style-type: none"> <li>• Progress farm-out process</li> <li>• Site survey programme</li> </ul>
* subject to closing							

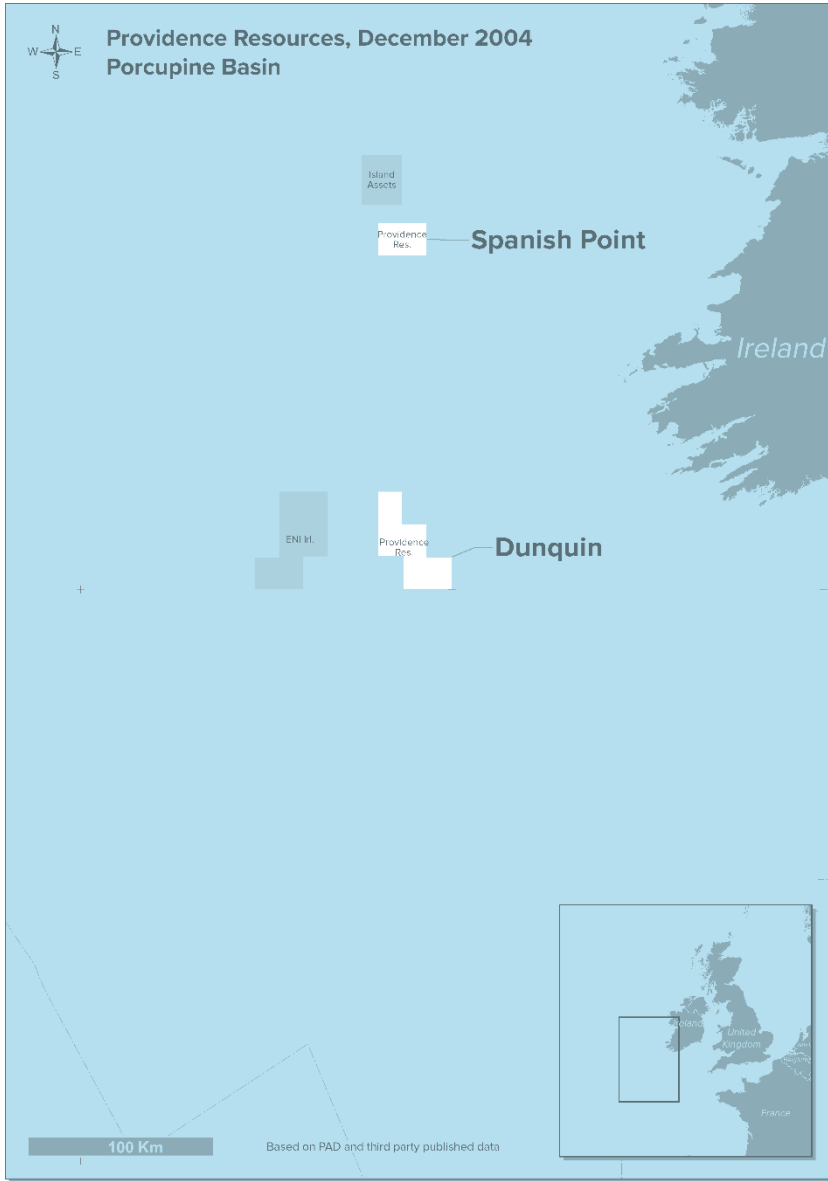


# Leadership Offshore Ireland

1997-2005	2006-7	2008-10	2011-13	2014-15	2016-17	2018-19
<ul style="list-style-type: none"> <li>•1997 – PVR established</li> <li>•ESM /1997</li> <li>•Estd. multi-basin licensing strategy offshore Ireland</li> <li>•AIM /2005</li> <li>•Licensed Dunquin &amp; Spanish Point</li> <li>•Farm-out of 80% of Dunquin to ExxonMobil</li> </ul>	<ul style="list-style-type: none"> <li>•Newgrange license option with ExxonMobil</li> <li>•2D seismic acquired over Dunquin, Newgrange, Druid &amp; Drombeg</li> <li>•Farm-out of 30% of Spanish Point to Chrysaor</li> <li>•License option secured over Druid &amp; Drombeg with ExxonMobil</li> <li>•Drilled Hook Head</li> </ul>	<ul style="list-style-type: none"> <li>•ExxonMobil assumed op. of Dunquin</li> <li>•2D seismic acquired over Druid &amp; Drombeg</li> <li>•Farm-out of 40% of Dunquin to Eni and JV make well commit.</li> <li>•3D seismic acquired over Spanish Point</li> <li>•Drilled Hook Head &amp; Dunmore</li> </ul>	<ul style="list-style-type: none"> <li>•Farm-out of 25% of Dunquin to Repsol</li> <li>•3D seismic acquired over Barryroe</li> <li>•Drilled Barryroe</li> <li>•Secured license options for Newgrange, Druid &amp; Drombeg</li> <li>•Dunquin North well drilled - 600 MBO residual oil accum.</li> <li>•Farm-out of 38% of Spanish Point to Cairn</li> </ul>	<ul style="list-style-type: none"> <li>•3D seismic acquired over Druid/ Drombeg &amp; Diablo</li> <li>•2D seismic acquired over Newgrange</li> <li>•3D seismic acquired over Spanish Point South</li> </ul>	<ul style="list-style-type: none"> <li>•Schlumberger Collaborative Study - Druid &amp; Drombeg, Newgrange &amp; Dunquin South</li> <li>•Advanced work for 2017 drilling of Druid &amp; Drombeg</li> <li>•Farm-out of 30% of Druid &amp; Drombeg to Cairn</li> <li>•3D seismic acquired over Dunquin</li> <li>•Farm-out of 50% of Avalon to TOTAL</li> <li>•Farm-out of 35% of Druid &amp; Drombeg to TOTAL</li> <li>•PVR drilled 53/6-1 Druid &amp; Drombeg exploration well</li> </ul>	<ul style="list-style-type: none"> <li>•Farm-out of 50%* of Barryroe to APEC</li> <li>•Barryroe multi-well drilling program</li> <li>•Jurassic exploration assessment</li> <li>•Site survey over Newgrange</li> <li>•Convert Avalon LO to FEL</li> <li>•Progress marginal field assessments – Helvick, Hook Head, Dunmore</li> <li>•Evaluate new license opportunities</li> <li>•CNOOC drilling Iolar prospect</li> </ul> <p>* subject to closing</p>



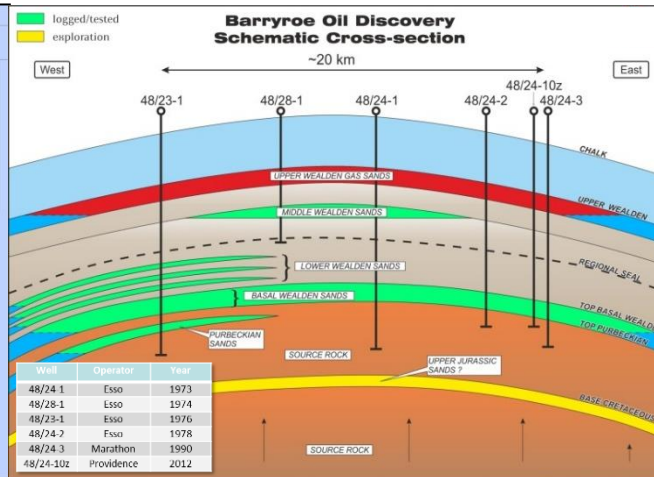
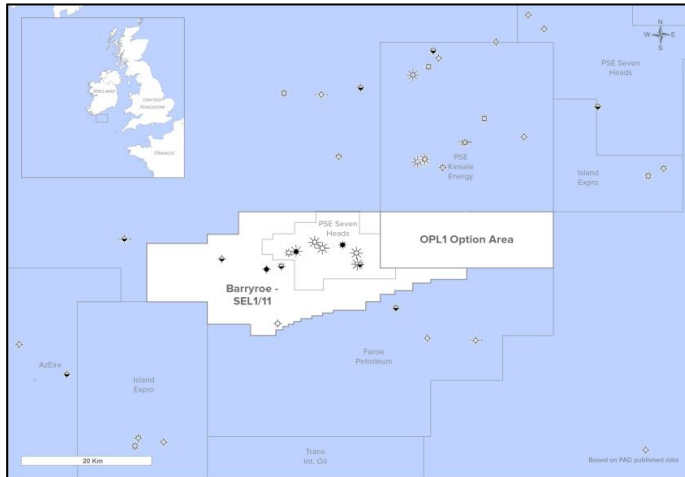
# Leadership Offshore Ireland – 2004 vs 2018





# Barryroe - Overview

- Successfully drilled and flow tested by Providence in 2012
- 50km offshore in 100m water depth
- Significant oil accumulation - 2C total resources of 346 MMBOE REC (NSAI)
- Low risk appraisal - shallow oil bearing reservoir, normally pressured
- Deeper Jurassic exploration potential
- Low cost environment for staged appraisal & development



Discovered Resource Potential 100% Gross STOIP (MMBO) (P50/Mid) (on license only)	
Middle Wealden*	287
Lower Wealden	416
Basal Wealden#	761
Purbeck	362
<b>TOTAL</b>	<b>1826</b>

Auditors: \* RPS # NSAI

*Barryroe is one of the largest undeveloped fields offshore UK / Ireland*

Significant  
**Partners**  
with Providence  
retaining 40% of a  
major asset

**Financial**  
& Operational  
capacity to take  
Barryroe  
through.....

**Appraisal**  
through  
**Production**

**No risk** and  
**no** upfront  
drilling **cost**

Potential  
**testing** of the  
deeper Jurassic  
interval

Potential  
**\$10m** future  
cash injection\*

\* subject to exercise of warrants by APEC post completion of the drilling programme

# Barryroe – Farm-out to APEC



APEC Energy Enterprise Ltd.



## Farm-out (Announced March 28, 2018)

- APEC Energy Enterprise Ltd. has a strategic partnership with China Oilfield Services Co., Ltd. (COSL) & JIC Capital Management Limited (JIC)
- COSL is a majority owned subsidiary of the Chinese state-owned company (CNOOC Group) and is the largest integrated oilfield services provider in Asia
- JIC is a Chinese state-owned (100% subsidiary of China Investment Corporation) integrated investment group established in 2004

## Closing (Expected in Q3 2018)

- Completion of ancillary documentation and Government consents

## Equity Participations at Closing

- APEC – 50%
- EXOLA (Providence subsidiary) – 40%
- Lansdowne – 10%

# Barryroe – Farm-out to APEC

## Main Commercial Terms

- APEC to pay their pro rata share (50%) of the drilling programme costs
- APEC to finance Providence's (40%) & Lansdowne's (10%) share of the drilling programme costs
  - Financing by way of a non-recourse loan
- Loan secured against future Barryroe production cashflow
  - Cashflow apportionment until loan is repaid
    - APEC – 80%
    - EXOLA (Providence subsidiary) – 16%
    - Lansdowne – 4%
  - Cashflow apportionment post loan repayment
    - APEC – 50%
    - EXOLA (Providence subsidiary) – 40%
    - Lansdowne – 10%
- APEC to assume 50% of San Leon NPI Obligation (4.5% NPI)
- APEC to be granted warrants with the right to subscribe for 59.2 million Providence shares at £0.12 per share
  - Subscription can only take place post completion of the drilling programme

# Barryroe – Farm-out to APEC

## Main Operational Terms

- Drilling programme entails the planning, consenting and drilling of 3 wells plus associated side-tracks and well testing in 2019\*
- Providence to act as Operator for the drilling programme with technical assistance from the APEC consortium
- APEC has the right to take-over Operatorship post the completion of the drilling programme
- APEC to provide a drilling unit

## Well Programme Objectives

- The new reservoir take points to provide significant further spatial calibration of the Basal Wealden Barryroe reservoir interval parameters to support the optimal field plan of development together with the placement of future production wells
- Assess the potential connectivity between different reservoir take points to aid dynamic reservoir performance prediction
- Confirm the position of any GOC and OWC
- Possibly appraise the Lower Wealden /Purbeckian and explore the underlying Jurassic

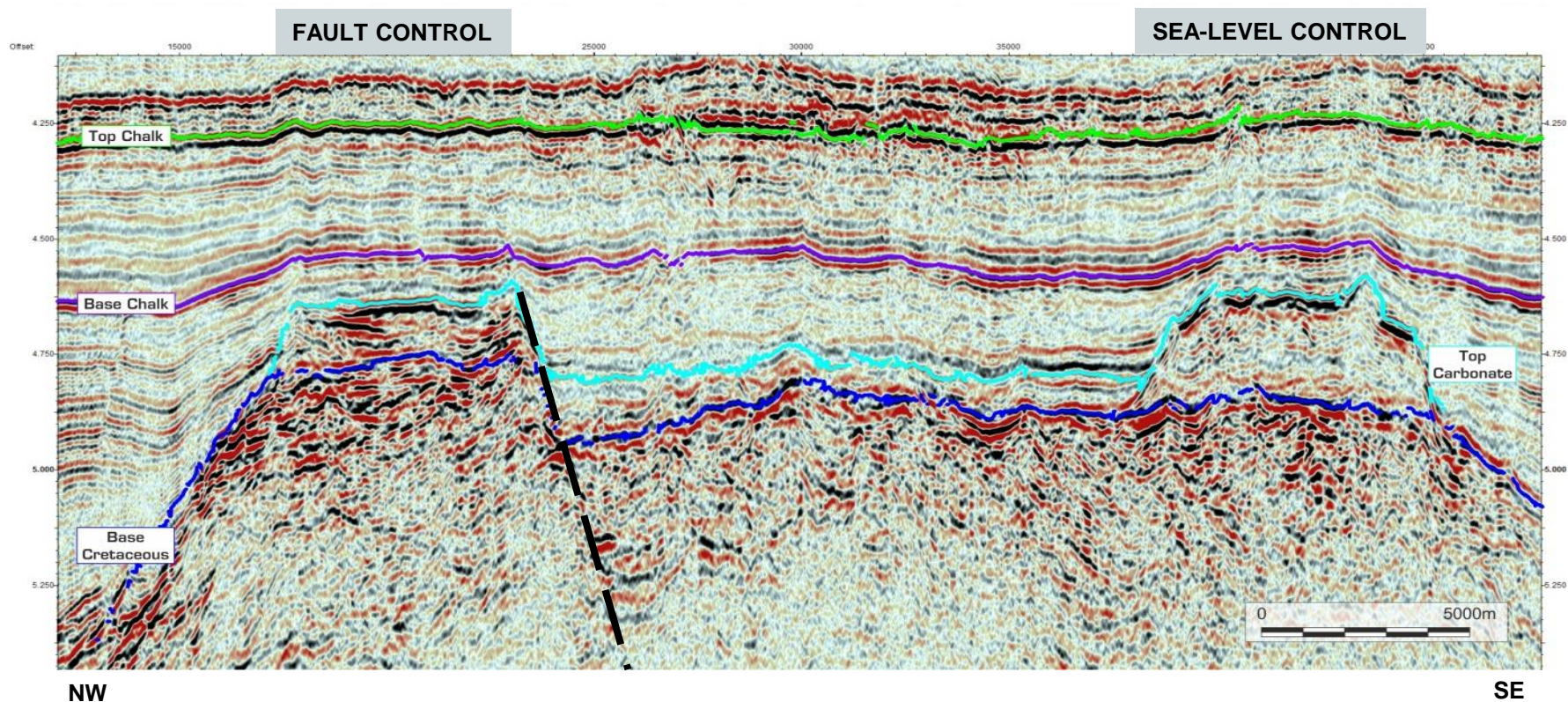
\* subject to closing and consents



# Dunquin North vs Dunquin South – 2D seismic Line

**DUNQUIN NORTH**  
**(DRILLED)**

**DUNQUIN SOUTH**  
**(UNDRILLED)**



NW

SE







# Outlook – Potential Key Activity Offshore Ireland#

Licence	Operator	Partners	2017	2018	2019	2020	2021
<b>Providence Licences</b>							
DRUID/DROMBEG/DIABLO	TOTAL (35%)	PROVIDENCE (28%) Cairn (30%) Sosina (7%)	Drilled	Post Well Analysis			
BARRYROE	PROVIDENCE (40%)* (held through EXOLA)	APEC Energy Enterprise Ltd (50%)* Lansdowne (10%)*	Planning/Consent	Survey/Consent	Drilling		
NEWGRANGE	PROVIDENCE (80%)	Sosina (20%)	Planning/Consent	Survey/Consent	Potential Drilling		
DUNQUIN SOUTH	Eni (36.913%)	Repsol (33.557%) PROVIDENCE (26.846%) Sosina (2.684%)	3D Seismic	3D Interpretation		Potential Drilling	
AVALON	TOTAL (50%)	PROVIDENCE (40%) Sosina (10%)	LO Studies	Convert to FEL	3D Seismic (TBD)	Survey/Consent	Potential Drilling
<b>Other Companies (based on scout information)</b>							
IOLAR	CNOOCNexen (100%)				Drilling		
BEAUFORT	Woodside (90%)	Bluestack (10%)				Drilling	

# Management's view, dependent on a wide range of factors including JV partners, equipment availability and regulatory approvals & scout reports

\* Subject to Closing

*Developing & enhancing world class assets offshore Ireland*

# Market Backdrop & Competitive Advantage

## MARKET & INDUSTRY

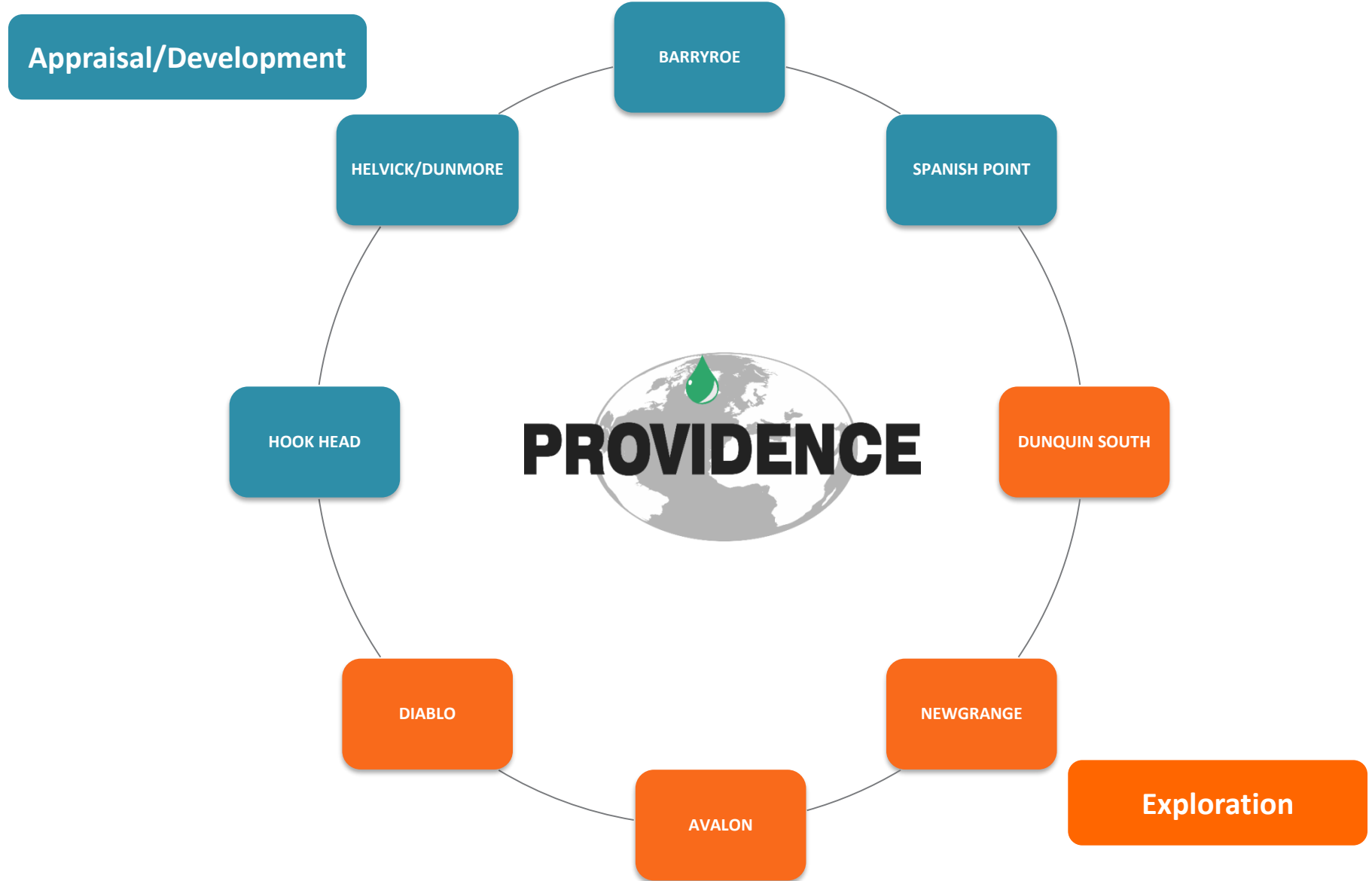
- Oil production must increase to meet demand
- Demand supported by robust global economy
- E&P spend forecast to grow in 2018 – first time in 4 years
- Unprecedented low drilling costs
- Significant excess capacity in offshore drilling sector
- 32 companies active offshore Ireland

## PVR - COMPETITIVE ADVANTAGE

- 100% Irish focused portfolio
- >20 years drilling experience
- 1<sup>st</sup> mover in the “right postcode” alongside significant players
- Holds most diverse portfolio of authorisations offshore Ireland
- More well & seismic data than any other operator offshore Ireland
- Proven ability to partner successfully with majors and supermajors
- World class portfolio of assets

*Partner of choice with a significant track record offshore Ireland*

# Forward Plans



*Balanced portfolio of exploration & appraisal assets*

# Corporate Information

## BOARD OF DIRECTORS

### Pat Plunkett

Chairman

### Tony O'Reilly

Chief Executive

### Philip O'Quigley

Non-Executive Director

### Dr. Angus McCoss

Non-Executive Director

### James McCarthy

Non-Executive Director

### Dr. John O'Sullivan

Technical Director

### Lex Gamble

Non-Executive Director

## NOTABLE SHAREHOLDERS

▪ M&G Investments	14.6%
▪ Pageant Holdings	11.0%
▪ Merseyside	7.2%
▪ The Capital Group	5.9%
▪ Kite Lake Capital	5.0%
▪ Goldman Sachs	5.0%
▪ Marlborough	4.8%
▪ Janus Henderson	3.9%
▪ Blackrock	3.5%

## KEY PERSONNEL

### Tony O'Reilly

Chief Executive

27 years experience  
ARCON, C&L

### Dr. John O'Sullivan

Technical Director

28 years experience  
Mobil, Marathon

### Simon Brett

Chief Financial Officer

23 years experience  
Damovo, Coca Cola

### Fergus Roe

Operations Manager

21 years experience  
Haliburton

### Donal Meehan

Snr. Reservoir Engineer

15 years experience  
ExxonMobil

### Jakub Czarcinski

Cartographer & GIS Specialist

12 years experience  
Providence

### Fergal Murphy

Geophysical Consultant

20 years experience  
Britsurvey, Lynx

### Criona Ryan

Commercial & Legal Advisor

10 years experience  
Houlihan O'Donnell Flaherty

### Annemarie Smyth

Snr. Geologist

16 years experience  
Troy-Ikoda Limited

### Keith Byrne

Snr. Geophysicist

16 years experience  
PGS, Newfield

### Myles Watson

Geologist

4 years experience  
Providence

### Dr. John Conroy

Project Manager - Barryroe

28 years experience  
Marathon, Statoil, Shell

## KEY PARTNERS



Lansdowne  
oil & gas

