

PROVIDENCE RESOURCES P.I.c.

ALTERATION TO CERTAIN TERMS OF THE 2009 SHARE OPTION SCHEME TO FACILITATE THE IMPLEMENTATION OF LONG TERM INCENTIVE PLAN AND THE GRANT OF OPTIONS TO DIRECTORS

Dublin and London – August 9, 2016 - Providence Resources P.I.c. (PVR LN, PRP ID), the Irish based Oil and Gas Exploration Company, announces that it has implemented a long term incentive plan (the “**2016 LTIP Scheme**”) for directors following alterations to certain provisions of the 2009 Share Option Scheme (the “**2009 Scheme**”). Accordingly, the Company has granted options over 22.6 million ordinary shares of €0.10 each in the Company (“**Ordinary Shares**”) with a strike price set at €0.45 per Ordinary Share, which represents a premium of nearly 4 times the current market price.

Background

In 2009, the Company adopted the 2009 Scheme which provided for the award of options over Ordinary Shares up to a maximum of 5% of the issued share capital of the Company. Under the 2009 Scheme, which is a ten year scheme, the exercise period for any options granted is seven years. The 2009 Scheme set out certain share growth performance criteria with the base price against which such criteria is assessed being established from the closing market price of the Ordinary Shares on the date preceding the date of grant.

The 2009 Scheme operates as an equity-settled share option scheme and options can be granted subject to the following conditions (which can be varied at the Company’s sole discretion):

- (i) 50% of the total number of options granted are exercisable after one year from the date of grant, provided that the market price of the Ordinary Shares has increased by a minimum of 25% and that such an increase is maintained over a period of three months prior to the exercise of any option;
- (ii) The remaining 50% of the total number of option granted are exercisable after a further year has elapsed, provided that the market price of the Ordinary Shares has increased by a minimum of 50% and that such an increase is maintained over a period of three months prior to the exercise of any option.

2016 LTIP Scheme

Following the successful capital restructuring of the business in July 2016, and in line with the Company's strategy to put in place an appropriate long term incentive plan, the Company has altered certain provisions of the 2009 Scheme to facilitate the implementation of the 2016 LTIP Scheme. The alterations provide for a fixed exercise price significantly above the current market price and a reduction to the period of time during which options can be exercised.

The applicable alterations are as follows:

Option Price

- (i) 50% of the total number of options granted are exercisable after one year from the date of grant provided that the market price of the Ordinary Shares exceeds a price of €0.45 per Ordinary Share;
- (ii) The remaining 50% of the total number of options granted are exercisable after a further year has elapsed, provided that the market price of the Ordinary Shares exceeds a price of €0.45 per Ordinary Share.

Period for Exercise of Option

No options shall be exercisable more than three years after the grant date and all options which have not been exercised by that date shall lapse.

For the avoidance of doubt, the above alterations made to the strike price and duration only relate to options being granted under the 2016 LTIP Scheme. All other options granted or capable of being granted are subject to the original provisions of the 2009 Scheme.

Grant of Options under 2016 LTIP Scheme

Having introduced the 2016 LTIP Scheme on the terms set out above, the Company has granted 22.6 million options (the “**Options**”) to the Directors with effect from August 8, 2016:

<i>Director</i>	<i>Position</i>	<i>Number of Options Granted</i>	<i>Strike Price (€ cents)</i>
Tony O’Reilly	Chief Executive Officer	12,000,000	45.0
John O’Sullivan	Technical Director	9,000,000	45.0
James McCarthy	Non-Executive Chairman	400,000	45.0
Lex Gamble	Non-Executive Director	400,000	45.0
Philip O’Quigley	Non-Executive Director	400,000	45.0
Phil Nolan	Non-Executive Director	400,000	45.0

The following specific terms and conditions apply to the Options:

- (i) 11.3 million Options are exercisable on or after August 8, 2017, provided that the market price of the Ordinary Shares exceeds €0.45 per Ordinary Share;
- (ii) 11.3 million Options are exercisable on or after August 8, 2018, provided that the market price of the Ordinary Shares exceeds €0.45 per Ordinary Share; and
- (iii) The Options must be exercised prior to or on August 8, 2019.

The number of Options being granted represents c. 3.7% of the issued ordinary share capital of the Company.

The grant of Options to the non-executive directors above reflects their agreement to forego director’s fees earlier in 2016. In aggregate, a total of 640,000 options previously issued to the Directors under the 2009 Scheme have been relinquished.

As of August 8, 2016, the Directors’ interest in the issued share capital of the Company is as follows:

<i>Director</i>	<i>Number of Ordinary Shares Held</i>	<i>% of Issued Share Capital</i>	<i>Number of Options Granted</i>
Tony O’Reilly	500,011	0.08%	12,000,000
John O’Sullivan	226,154	0.04%	9,000,000
James McCarthy	203,300	0.03%	400,000
Lex Gamble	400,000	0.07%	400,000
Philip O’Quigley	167,531	0.03%	400,000
Phil Nolan	1,045,186	0.17%	400,000

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ABOUT PROVIDENCE RESOURCES

Providence Resources is an Irish based Oil and Gas Exploration Company with a portfolio of appraisal and exploration assets located offshore Ireland. Providence's shares are quoted on AIM in London and the ESM in Dublin.