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Providence Resources P.l.c.
Annual Report for the
year ended 31 December 2019

Stock Codes:
LSEAIM: PVR
Euronext Growth: PZQA

WELCOME TO THE PROVIDENCE RESOURCES P.L.C.
ANNUAL REPORT 2019

CONTENTS

OIL AND GAS EXPLORATION AND APPRAISAL

Who we are

Providence Resources P.l.c. ("Providence" or the "Company") is an Irish based 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 ESM in Dublin.

The Company's board and management have considerable experience in the energy sector having worked closely with and for many major companies throughout the world.

Strategy

Providence's core strategy is to economically appraise and fully develop the Barryroe Oil and Gas Field.

A phased Barryroe development is expected to maximise field development returns by accelerating cash flow and progressively converting established resources to reserves.

Fully developed, the Barryroe field can become a processing hub, similar to a number of large field developments in the North Sea. Providence envisages economically linking the Barryroe facilities with near field discovered resources and exploration opportunities in the North Celtic Sea as they mature.

Providence is also assessing the potential to link a number of depleted gas fields which have CO_2 storage potential in the North Celtic Sea with a Barryroe development.

Deliverables

- Create value for stakeholders by appraising Barryroe and transforming 2C resources into 2P reserves.
- Progress a phased Barrryroe development designed to generate early cashflow and manage development capex and risk.
- Maintain a balanced portfolio of commercially attractive licenses with Irish focus.
- Target low risk exploration prospects with scope for early tie-back into established production facilities.
- Actively evaluate M&A and asset swap opportunities to build stakeholder value.
- Implement a Triple Bottom Line ("TBL") approach to value creation.
- Support the government drive to carbon neutral by 2050 by assessing the benefits of linking Carbon Capture and Sequestration (CCS) and Blue Hydrogen with a Barryroe development.

Information on the Company and its oil and gas portfolio is available at **www.providenceresources.com**

2019 OPERATIONAL HIGHLIGHTS

2019 Operations

Appraisal Projects

- **Barryroe, North Celtic Sea (SEL 1/11)**
  - During Q3 2019, the Barryroe site survey was undertaken using the Gardline's MV Kommander. The survey was completed on 16 September 2019 under budget
  - No funds were received from APEC and their period of exclusivity was terminated. The process of the licence reassignment to Providence and Lansdowne is in progress

Exploration Prospects

- **Diablo, Southern Porcupine (FEL 2/14)**
  - The JV partners voluntarily surrendered the licence effective 31 December 2019
- **Dunquin South, Southern Porcupine (FEL 3/04)**
  - The JV partners deferred the site survey
  - Repsol Exploracion Irland SA advised the JV Partners that it was withdrawing from the licence
- **Newgrange, Goban Spur (FEL 6/14)**
  - The JV Partners relinquished the licence in September 2019
- **Avalon, Southern Porcupine (FEL 2/19)**
  - In February 2019, the JV partners licenced c. 1,500 km^2 of multi-client 3D seismic data
  - In November 2019, TOTAL E&P Ireland BV withdrew from the licence and Providence took over operatorship

Other Licence Activity

- **Spanish Point, Northern Porcupine (FEL 2/04)**
  - Under discussion with the regulatory authorities
- **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)**
  - Under discussion with the regulatory authorities

2019 Financial Highlights

- Operating loss for the period of €25.936 million versus €4.425 million in 2018
- Loss for the year of €26.853 million versus €4.779 million in 2018
- Loss per share of 4.39 cents versus 0.80 cents in 2018
- At 31 December 2019 total cash and cash equivalents were €0.710 million versus €7.617 million (at 31 December 2018)
- The Company had no debt at 31 December 2019

The total issued and voting share capital comprises 835,397,852 ordinary shares of €0.001 each as at 2 June 2020

Post Year End Progress

- **Barryroe, North Celtic Sea (SEL 1/11)**
  - In April 2020, the Company signed a non-binding agreement with SpotOn Energy to farm into Barryroe with an exclusive period until 31 October 2020. In return for this period of exclusivity, SpotOn Energy invested £300,000 through a subscription agreement in the equity raise in April. In May 2020, SpotOn Energy invested an additional £200,000 in accordance with their agreement
- **Dunqin South, Southern Porcupine (FEL 3/04)**
  - ENI Ireland B.V. advised the JV Partners that it was withdrawing from the licence. Providence agreed to become operator
  - Providence announced that it planned to withdraw from the JV Partnership
  - Under discussion with the regulatory authorities
- **Avalon, Southern Porcupine (FEL2/19)**
  - In May 2020, Providence announced that it was withdrawing from the licence

CHAIRMAN'S REMARKS

Dear Shareholder,

I am pleased to present the 2019 Annual Report and to bring you up to date on the activities of the Company during the year up to an including the early months of 2020.

The international operating environment for the oil and gas sector was relatively stable in 2019 with commodity prices generally favourable, and with companies continuing to invest in new projects to meet ongoing fossil fuel demand. In Ireland however, the oil and gas industry suffered several setbacks, initially from the proposed Climate Emergency Measures Bill and more recently because of the government's climate action agenda and the introduction of gas only exploration licences for new licence acreage. The government confirmed in December that existing licences remain unchanged with exploration for and development of both gas and oil permitted. Unfortunately, the impact was already strongly felt and several multi-national companies chose to refocus their exploration efforts into other jurisdictions.

2019 was an extremely challenging year for your Company on a number of fronts. In particular, your management and board invested considerable resources working with APEC to progress a farm-out agreement for the Barryroe asset which, if successfully concluded, would have secured a field appraisal work programme and the progression of a phased field development plan. Despite comprehensive assurances received and multiple contract extensions granted, APEC failed to make their promised investment in the company. The board eventually concluded that the farm-out would not proceed to completion and notified APEC of their breach of contract. The process of removing APEC from the licence is in progress with all documentation requested by the regulator in support of the re-assignment having been submitted. We expect confirmation of the re-assignment in due course.

Your board for some time had been reviewing the business operating model of Providence in view of the construct of the portfolio and the changing regulatory environment. In September 2019, a corporate re-engineering and cost reduction program was announced which regrettably resulted in a number of redundancies. At the same time, John O'Sullivan, exploration director, decided to leave the board and the Company to pursue other interests. Arising from the failure of the APEC funds to materialise and the need to fund ongoing working capital, a share placing raising EUR €3.4m (USD $3.76m) was announced and completed in September. At the time the board advised that further funding would be required in early 2020 to support the business and to facilitate the completion of a new farm-out programme. Following the September placing, three long serving non-executive directors, Lex Gamble, James McCarthy and Philip O'Quigley stepped down from the board.

In December 2019, Tony O'Reilly resigned from the position of CEO of Providence by mutual agreement and Alan Linn was recruited to succeed him. All termination costs associated with Tony's departure are reflected in the 2019 annual report.

Since joining Providence in January, Alan has revised the business plan to focus primarily on the successful appraisal and development of the Barryroe Field and has restarted a farm-out process to support this. A number of parties have engaged with the Company and good progress has been made despite the turbulence in international oil markets in recent months and the impact of the Covid-19 pandemic. Also, additional cost savings were identified which extended the availability of working capital to April 2020, and which will lower the operating cost base further as the year progresses.

In early May 2020 the Company completed a further equity placing and subscription raising EUR €3m (USD $3.3m) to provide working capital for the business through to end April 2021. The Placing was actively supported by both existing and new investors.

SpotOn Energy, a Norwegian consortium, and a preferred Barryroe farm-in candidate, subscribed £300,000 to the funding and have been offered a period of exclusivity until 31 October 2020 to assess the potential of the Barryroe field and to agree farm-in terms. SpotOn Energy also agreed to invest a further £200,000 for Providence shares within six weeks of the date of the of the announcement of the conditional placing and these funds were subsequently received. Providence and SpotOn Energy are now fully engaged in assessing the field appraisal and development plan, and in developing the partnership arrangements which will be required to conclude and implement a successful farm-in.

Despite the many challenges and disappointments in recent years I believe that Providence now has the opportunity to reverse its fortunes under the leadership of a new CEO supported by a small focused executive team and board. The Company has prioritised the appraisal and development of the Barryroe asset as its core objective and is working through a programme to materially reduce its interests in all licences off the west coast of Ireland in order to reduce financial commitments and prioritise work programmes.

The Company is fortunate in having a strong shareholder base who believe in the longterm potential of the business and have been willing to support recent funding issues. Thank you for your support and confidence in the team.

Finally, I would like to thank staff who were made redundant and board members who left the Company in 2019 for their contribution to the business in the past.

I look forward to keeping you updated on developments as the year progresses.

Pat Plunkett
Chairman

C.E.O. – OPERATIONS REVIEW

Changing Political and Environmental Landscape

2019 proved to be an extremely challenging year for Providence. During 2019 the Irish Government introduced a ban on oil exploration for new exploration licences, creating commercial and technical uncertainty within the industry leading to the departure of several multinational E&P companies. The ban, and the government's unsettled approach to managing the transition to a carbon neutral economy by 2050 continues to generate market uncertainty and is unlikely to be resolved in the near term, particularly in light of the profound impact upon the Irish economy caused of the global impact of Covid-19 virus, and the challenges associated establishing a stable government following the February 2020 general election.

Fortunately, in December 2019, the government issued a policy statement clarifying rights for existing oil and gas licences, confirming they are unaffected by the oil exploration ban. An excerpt from the policy statement in presented here for clarity.

> **"Policy Statement**
>
> **Petroleum Exploration and Production Activities as part of Ireland's Transition to a Low Carbon Economy (December 2019)**
>
> **4.3 Applications/authorisations prior to 23 September 2019**
>
> All existing applications and authorisations in place before the 23 September 2019 can progress through the standard lifecycle stages for exploration, extraction and production of natural gas and/or oil. Such authorisations, as defined in the Petroleum and Other Minerals Development Act, 1960 ("1960 Act"), include Licensing Options, Exploration Licences, Lease Undertakings, Petroleum Lease and Reserved Area Licences.
>
> Compliance with work programme commitments form an essential part of the progression of authorisations."

Despite the current health, economic and political uncertainty, Ireland has a bright future and can successfully implement a low carbon economy. A broader investment in carbon reduction technology, including carbon capture and sequestration (CCS), combined with gas reforming to produce hydrogen and gas fired power generation with CO_2 abatement, will complement the continuing development of renewable technologies and accelerate the overall reduction of CO_2 emissions.

The combination of renewables and CO_2 capture technologies is the most likely route to a cost effective and stable pathway to a carbon neutral Ireland. The role of gas remains vital as the country transitions and "homegrown" gas is the cleanest and most economic energy source.

2019 Review

The geology of Ireland has been in place for millions of years and it is likely that considerable oil and gas resources remain undiscovered both offshore and onshore. Providence holds several licences off the West Coast of Ireland and in the North Celtic Sea. Following a technical and commercial review of all licences, the portfolio is being rationalised to bring costs down and focus upon lower risk licences in established productive shallow water basins. The portfolio rationalisation will be completed in August 2020.

The Barryroe Oil and Gas Field, in the North Celtic Sea is a core asset within the Providence portfolio and was the subject of a Farmout to APEC, a Chinese investment group, in March 2018. Despite many assurances and contract extensions, the funds promised by APEC during the farm-out process failed to materialise, resulting in an unsuccessful and costly outcome for Providence. The process was terminated after approximately 18 months, leaving Providence with very limited working capital.

Providence raised c. €3.4m (c. $3.76 million) (before expenses) from shareholders in September 2019 to support the working capital requirements until February 2020 and fund a full re-structure of the business. The restructure was completed during February 2020 and the available working capital extended through end April 2020, following the implementation of additional cost reduction initiatives.

In early April 2020, Providence successfully raised c. €3m (c.$3.3million) (before costs) through a placing and is now funded until April 2021, ensuring sufficient time is available to complete an economically attractive farm-out of the Barryroe Asset.

I thank shareholders for their support during the April 2020 fundraise. The fundraise took place during what has proven to be an unprecedented worldwide health and economic emergency, with the world in "lock down" and crude prices moving briefly into negative pricing for the first time ever. Despite the difficult environment, the capital raise was a success thanks to the support and stamina of our shareholders.

The business re-structure led to a significant reduction in the Providence team and overheads, including the departure of the CEO and several Non-Executive Directors.

I joined the business as CEO in January 2020 with a board mandate to revise the business strategy and prioritise the farm-out of the Barryroe asset.

An early priority included reviewing licence work programmes to ensure that licences have the potential to deliver near term value. The Providence licence portfolio contains several high risk/high reward exploration licences offshore West of Ireland. The prospective basins are in deep water; remain to be proven and are lightly explored. Following a detailed assessment of the licences it was concluded that the likelihood of progressing the extensive work programmes, which these licences require to generate material value, were unlikely to be progressed in the near term, particularly considering the government ban on oil exploration for new licences. As a result of the review a number of licence withdrawal applications have been submitted to government with the aim of further reducing the cost base and re-direct activity onto licences with near term value potential.

C.E.O. – OPERATIONS REVIEW
(CONTINUED)

Licence Summary

A summary of the remaining licences is provided in Table 1.

Licence	Issued	Asset	Operator	Partners	PVR %	Type
NORTH CELTIC SEA BASIN						
SEL 1/11	2011	Barryroe	Providence*	Lansdowne	80%	Appraisal/Exploration
SEL 2/07	2007	Hook Head	Providence	Atlantic, Sosina	72.5%	Appraisal
Lease Undertaking	2016	Helvick	Providence	Atlantic, MFDevCo, Lansdowne, Sosina	56.25%	Appraisal
Lease Undertaking	2016	Dunmore	Providence	Atlantic, MFDevCo, Sosina	65.25%	Appraisal
SOUTHERN PORCUPINE BASIN						
FEL 2/19	2019	Avalon**	Providence	Sosina	80%	Exploration
FEL 3/04	2004	Dunquin**	Eni	Sosina	26.85%	Exploration
KISH BANK BASIN						
SEL 2/11	2011	Kish Bank	Providence	N/A	100%	Exploration
ST GEORGE'S CHANNEL BASIN						
SEL 1/07	2007	Dragon	Providence	N/A	100%	Exploration/Appraisal

* Held through a wholly owned subsidiary Exola DAC
** Applying for relinquishment

During 2019 and early 2020 the following licences have been relinquished or are in the process of being relinquished.

Summary of recent relinquishments:

FEL 6/14 (Newgrange): Relinquished December 2019

FEL 2/14 (Diablo): Relinquished December 2019

FEL 2/14 (Spanish Point) Relinquishment expected to be effective June 2020 following a lengthy review process to agree work programme offsets with the government.

Both FEL 2/19 and FEL 3/04 have been flagged with the government as relinquishment candidates and the withdrawal process commenced for both licences.

SEL1/11 (Barryroe)

The key licence within the optimised Providence licence portfolio is (SEL 1/11) which includes the Barryroe oil and gas field. During the APEC Farm-out process, joint venture partners applied for a lease undertaking permit from the government, based upon the agreed farm-out work programme. As an element of the lease undertaking application both Lansdowne and Providence transferred 50% of their equity in SEL 1/11 to APEC. The terms of the transfer included a provision, through operator power of attorney, to transfer the equity back to the original owners should the Farm-out process fail to complete.

Providence has exercised the operator's power of attorney and is working with DCCAE to finalise the reversion of the equity provisions to the Lansdowne and Providence, the original equity holders.

Barryroe is one of the largest remaining undeveloped fields in Europe and the Base Wealden reservoir potentially contains between 0.5TCF and 1.2TCF of recoverable associated and non-associated gas, to be confirmed during the appraisal programme.

Natural gas is recognised by the Irish government as a key transition fuel and the development of the Barryroe Field for both Gas and Oil is expected to make a significant contribution to the Irish economy. (jobs, balance of payments, taxes)

The Barryroe Base Wealden reservoir also has the potential to produce 100 to 300 MMBbls of recoverable light sweet crude oil, to be confirmed during the appraisal programme. The crude is expected to trade at a premium to Brent and is light, low sulphur, paraffinic, low metals and preferred by refineries capable of producing the chemical feedstocks used in the manufacture of plastics.

In January 2020 the Barryroe farm-out process was re-invigorated, and several new parties introduced to the process. One of the groups was SpotOn Energy. Their business model involves working with an incentivised consortium of "world-class" service companies to deliver low cost and high-quality projects. The service company consortium contributes to the cost of the project and participates in project equity through a share in production revenues. SpotOn Energy manage the project interfaces and consider themselves to be a "facilitating operator" and project manager.

Providence Resources entered a period of exclusive negotiation with SpotOn Energy to fully explore their business model which, in the present climate, could offer a reliable route through appraisal and field development with contractors who are motivated by long term project employment and earnings. The present economic environment is producing a major contraction in capital and operating expenditure and project deferrals, resulting in a very competitive service industry market and significant reductions in rates.

The energy supply/demand balance is likely to take some time to stabilise, with delayed investments in project developments and a period of low oil prices. During April 2020, when the Covid-19 lockdown was at its height the world was still consuming ~70 million barrels of oil per day. The demand reduction during the lockdown led to many extended mature field shut ins. It is probable that a number of these fields, which are typically high water cut producers, will never return to production. Longer term supply limitations and project deferrals, designed to preserve working capital, are expected to lead to a price recovery over the next 2-3 years as supply/demand balance stabilises. There is a window of opportunity to progress the Barryroe appraisal and development programme during a period of low demand for services, which is expected to drive down overall appraisal and development costs, and bring new production on line as the supply/demand balance settles and crude prices recover. Barryroe Phase 1 development is breakeven at ~$26/Bbl and economically compelling at $50-60/Bbl, which is likely to represent a sustainable crude price range for the midterm.

Barryroe is an oil and gas field, and Providence Resources is committed to manage the full spectrum of risks associated with progressing the field appraisal, development and production of the field for the long term. An important element of the recent business re-structure is the introduction of a **Triple Bottom Line** strategy; ensuring our pursuit of financial profit is managed through a lens which fully accounts for the impact of Providence Resources' activities upon the environment and local communities, encouraging the maximisation of projects benefits for Profit, People and Planet.

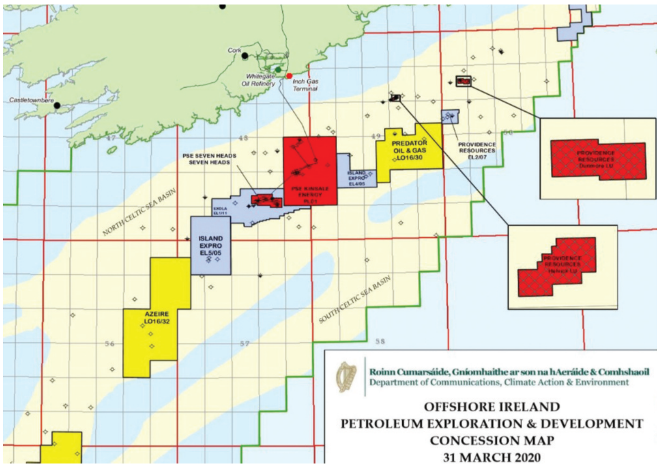
Triple Bottom Line ("TBL")

- The triple bottom line ("TBL") is a framework which commits business to focus on social and environmental concerns alongside profits. Instead of one bottom line, there are three: profit, people, and the planet. A ("TBL") gauges the level of commitment to corporate social responsibility and its impact on the environment over time. TBL theory holds that a business which only measures profits, ignoring people and the planet, does not account for the full cost of doing business.

North Celtic Sea Exploration and Development Potential

The revised Providence Resources business plan aims to maximise the value of the Barryroe resources by initially appraising and developing the Base Wealden reservoir and, where practical during appraisal, progress further assessment of the larger resource base within the overall Barryroe structure. (Lower Wealden, Middle Wealden and Purbeckian reservoirs plus the underlying Jurassic exploration potential).

In addition to SEL1/11 (Barryroe), Providence Resources has title over several established exploration licences and lease undertakings in the North Celtic Sea. The licences include several discoveries with geological links to Barryroe (Helvick, Hookhead, Dunmore and Dragon).



Map of Existing North Celtic Sea Licences

In addition to the appraisal and development of the Barryroe Field, Providence proposes to extend its understanding of the wider basin with a regional study and review of established licences to assess the potential value which can be generated by leveraging the Barryroe infrastructure, within an already established oil and gas basin, to encourage the early development of nearby fields and discoveries.

The Providence business focus will be primarily in the North Celtic Sea, with Barryroe at the heart of the strategy.

Sustainable Development

A growing number of Investors are seeking ethically balanced portfolios, choosing to invest in companies with strong social and environmental programmes which complement financial returns. Resource development companies who account for the full life cycle of the hydrocarbon molecules produced and mitigate development impacts are more likely to attract investment.

By embracing the growing demand for renewable solutions and supporting the drive to move to a carbon neutral economy by 2050, Providence expects to progress the Barryroe development as an attractive investment for a transition economy with regulatory and public support.

It is probable that further carbon taxation will be introduced progressively to encourage investment in carbon reducing technologies and help fund progression to a carbon neutral economy.

Providence Renewables was set up during 2019 to investigate entry into the renewable technology sector through industry partnerships. This business segment within the Providence portfolio will focus upon the benefits of both Carbon Capture and Sequestration (CCS) and Blue Hydrogen. Both technologies make use of natural gas (transition fuel) and its by products to generate low carbon power and heat. The introduction of carbon reduction technologies into Ireland will support and potentially accelerate the progression toward a carbon neutral economy and help underpin Ireland's energy security ambitions, utilising the hydrocarbon resources beneath Ireland to reduce dependency upon imported fuel.

[1] Subject to assignment by the Minister

C.E.O. – OPERATIONS REVIEW
(CONTINUED)

Providence Renewables proposes to use offshore technology and sub surface knowledge to identify and procure suitable CCS locations and develop a business case for Offshore Carbon Capture in Ireland.

The Barryroe Oil and Gas Field is located close to the depleted Kinsale Energy gas fields, which are being prepared for decommissioning. There may be an opportunity to recycle some of the Kinsale Energy infrastructure during the Barryroe development. This approach is consistent with our Triple Bottom Line approach, helping to minimise the overall carbon footprint of the development and reduce onsite construction impacts associated with the Barryroe field development.

Risk Management

The Providence Resources team understands the essential role risk management plays in the exploration and development of natural resources and works to fully mitigate the risks associated with delivering attractive returns for all stakeholders.

To manage business risk and ensure business consistency we will:

- Deploy the Triple Bottom Line ("**TBL**") approach when assessing Barryroe development project potential, ensuring all project risks are managed effectively and benefits fully realised
- Manage Operational activities within a risk based HSE (Health, Safety and Environmental) Management System. Which ensures operations are undertaken to the highest safety and environmental standards and meet all Irish regulations and legislation
- Engage with stakeholders early and often in support of ("**TBL**") delivery

In Summary

Barryroe is our primary business focus and we are actively working to progress a Farm-out which will generate significant value for stakeholders.

We are continuing to focus primarily offshore Ireland and are finalising a re-structure of the exploration portfolio away from the West of Ireland and into the North Celtic Sea.

We propose to build the value of Barryroe by increasing the resource base during the appraisal programme and by finalising a phased field development plan.

We support the government's drive for a carbon neutral economy by 2050 and plan to assess the potential for leveraging the Barryroe facility development with the incorporation of technologies designed to reduce the overall business carbon footprint.

Proactively address potential carbon taxation increases by assessing the benefits of investing in renewable technologies which complement the continuing production of natural gas for power and heat, and oil for its chemical value.

We have introduced several business system changes which better reflect the needs of our investors and ensure that Providence operates to the highest of operational and business standards, taking full account of Profit, People and Planet.

Finally, I would again like to thank all our stakeholders and acknowledge the continuing efforts of the Providence team and the continued guidance and support of the Board of Directors.

Alan Linn
Chief Executive

BOARD OF DIRECTORS

	Pat Plunkett	**Alan Linn**	**Angus McCoss**
	Non-Executive Chairman **Joined Board:** 10/2016	**Chief Executive** **Joined Board:** 01/2020	**Senior Independent Non-Executive Director** **Joined Board:** 06/2017
Background	Pat Plunkett was appointed Non-Executive Chairman of the Company in October 2016. He was previously Non-Executive Chairman of Tullow Oil Plc from 2000 to 2011. He is currently Executive Chairman of T5 Oil and Gas Limited ('T5'), a private company he founded in 2013. Pat has over 30 years' experience in the financial services sector. He was a founding partner of the Riada & Co stockbroking and corporate finance businesses and, following their acquisition by ABN AMRO NV, he continued to manage these businesses until 1998.	Alan Linn was appointed Chief Executive Officer on 9 January 2020. Alan spent 10 years with Exxon before moving to the independent O&G sector, working with Lasmo. After Lasmo, he joined Cairn as Country Manager for India where under his tenure the largest oil discovery in the world was made in 2004. After leaving Cairn, he continued to work in the international oil and gas sector. In 2008, he joined ROC Oil as COO and was appointed CEO in 2010. In 2014, he joined Afren as CEO and in 2017, he joined Third Energy as COO, then CEO. The business was sold in July 2019.	Angus McCoss joined the Board as a Non-Executive Director in June 2017. Angus holds a Ph.D. in Structural Geology, sponsored by BP. He held several senior positions during a 20-year career in Shell. From 2006 to 2019 he was the exploration director and a main Board Director of Tullow Oil Plc, a leading independent Oil and Gas exploration and production group, quoted on the London, Irish and Ghanian stock exchanges.
Qualifications	Certified Accountant	Alan has a degree in Chemical Engineering from Strathclyde University and is a Fellow of the Institute of Chemical Engineers.	Ph.D. Structural Geology
Training/Upskilling	As a Certified Accountant, Pat ensures that his skills are kept up to date. As a non-executive director, he is kept informed on relevant regulatory compliance and statutory matters through briefings by external advisors and has access to the Company's external advisors as required.	The executive directors are kept informed on relevant regulatory compliance and statutory matters through briefings by external advisors and have access to the Company's external advisors as required.	As a non-executive director, he is kept informed on relevant regulatory compliance and statutory matters through briefings by external advisors and has access to the Company's external advisors as required.
Independent	No Under the QCA principle, Pat is deemed to be non-independent on the basis that he is Chairman of T5, a company in which Pageant Holdings Limited, a notifiable shareholder of Providence (14.99% as at 29 May 2020), is also a shareholder. The Board is satisfied that it has in place effective processes and procedures to ensure that any conflicts of interest that might arise can be managed appropriately.	N/a	Yes
Skills	Pat has a comprehensive understanding of the challenges a growing Oil and Gas business faces from his time spent at Tullow Oil Plc.	Alan brings vast international strategy experience to the company and has been involved in the successful restructuring and expansion of a number of businesses.	Angus brings a wealth of international exploration experience to the Board.
Length of time on Board	3.5 Years	5 months	3 Years
Committees	C R A N		R A N
Key External Appointments	Executive Chairman of T5		

C Chairman R Remuneration A Audit N Nomination

DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements of Providence Resources Plc ("the Company") and its subsidiaries (together, "Providence" or "the Group") for the year ended 31 December 2019.

Principal activities, business review and future developments

Information with respect to the Group's principal activities and the review of the business and future developments as required by Section 327 of the Companies Act 2014 is contained in the Chairman's Remarks, the CEO – Operations Review and List of Assets on pages 3 to 6.

During the period under review, the principal focus of management has been on the Group's Barryroe prospect, offshore Ireland.

Results for the year and state of affairs at 31 December 2019

The consolidated income statement for the year ended 31 December 2019 and the consolidated statement of financial position at that date are set out on pages 19 and 21 respectively. The loss for the year amounted to €26.85 million and net assets at 31 December 2019 amounted to €59.27 million. No dividends are recommended by the directors.

Important events since the year end

In April 2020, the Company signed an exclusivity agreement with SpotOn Energy Limited ('SpotOn') covering the period to 31 October 2020. The objective of the agreement is to allow the Group and SpotOn to agree an appraisal work program for the development of the Barryroe field and to develop commercial terms with the aim of concluding a binding agreement within that period.

In April 2020, the Company announced that it raised c. €3m (c. $3.3m) (before expenses) in a placing and subscription of securities of the Company. Each of these securities comprised one of Ordinary share, one 3p warrant and one 9p warrant. SpotOn Energy invested £300,000 through the subscription agreement and has committed to investing a further €200,000 within 6 weeks of the placing announcement at the then market price by way of a further share subscription. All resolutions associated with the equity raising were passed at the Extraordinary General Meeting held on 5 May 2020.

On 28 May 2020, the Company received the £200,000 from SpotOn Energy and will issue the new shares based on the closing price of 21 May 2020 of £0.0327.

The Group is monitoring the impact of Covid-19 on its business and notes that it has had a negative impact on global demand due to the lockdowns which have been implemented around the world. While the Group does not currently produce oil or gas, the pandemic could have an impact on the timelines for working through our projects. The potential related impacts are considered non-adjusting events for these financial statements. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

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.

Directors

The names of the persons who were directors at any stage during the year and the subsequent period to date are set out below. Except where indicated they served as directors for the entire year.

Pat Plunkett
Angus McCoss
John O'Sullivan (resigned 7 August 2019)
James McCarthy (resigned 12 September 2019)
Philip O'Quigley (resigned 30 September 2019)
Lex Gamble (resigned 30 September 2019)
Tony O'Reilly (resigned 6 December 2019)
Alan Linn (appointed 9 January 2020)

Dr. Angus McCoss will retire from the Board on 20 July 2020 and will not seek re-election. Alan Linn offers himself for election to the Board.

Mr. Tony O'Reilly, Chief Executive, held a service contract, effective from 1 April 2017, with the Company in respect of services outside of the Republic of Ireland through a company beneficially owned by him, Kildare Consulting Limited. This contract was renewed on 1 April 2019. The renewed contract was a for a two-year duration and was subject to a one-year notice's period. On 6 December 2019, this contract was terminated by the Company. The emoluments and fees payable under the above-mentioned contract amounted to €865,950 for the year ended 31 December 2019 (see note 22 (Related Party Transactions)), including a settlement payment of €448,500 for the early termination of the contract.

Other than the above, there have been no contracts or arrangements during the financial year in which a Director of the Company was materially interested and which was significant in relation to the Company's business.

Directors' shareholdings and other interests

The interests of the directors and their spouses and minor children who held office at 31 December 2019 or were subsequently appointed in the share capital of the Company, all of which were beneficially held, were as follows:

Directors	31 December 2018 Ordinary Shares of €0.001 each	31 December 2019 Ordinary Shares of €0.001 each	2 June 2020 Ordinary Shares of €0.001 each
Directors			
Pat Plunkett	1,000,000	1,750,000	2,750,000
Alan Linn	–	–	882,961
Angus McCoss	–	–	333,333
Company secretary			
Simon Brett	–	–	706,368

Details of outstanding options granted are as follows:

Directors	At 31 December 2018	At 31 December 2019	Price (Euro)	Expiry Date
Directors				
Pat Plunkett	**1,750,000**	1,750,000	0.17	June 2024
Tony O'Reilly	**12,000,000**	–	0.45	August 2019
Dr. John O'Sullivan	**9,000,000**	–	0.45	August 2019
James McCarthy	**400,000**	–	0.45	August 2019
	400,000	–	0.17	June 2024
Lex Gamble	**400,000**	–	0.45	August 2019
	400,000	–	0.17	June 2024
Philip O'Quigley	**400,000**	–	0.45	August 2019
	400,000	–	0.17	June 2024
Angus McCoss	**800,000**	800,000	0.17	June 2024
Secretary				
Simon Brett	**25,000**	–	6.13	July 2019
	275,000	275,000	0.142	August 2023

Based on the closing share price on 31 December 2019, no options over shares were capable of being exercised, as the targets for vesting of the options had not been met. The closing market price of the ordinary shares at 31 December 2019 was €0.035 and the range during the financial year was €0.026 to €0.2000.

Special business to be transacted at the Annual General Meeting

1) That the directors be, and they are hereby empowered pursuant to Section 1022 and Section 1023(3) of the Companies Act 2014 to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014) for cash as if the said Section 1022(1) of the Companies Act 2014 did not apply to any such allotment, such power being limited to:

   a) the allotment of equity securities in connection with or pursuant to any offer of equity securities open for a period fixed by the directors, by way of rights issue, open offer or otherwise (an "Offering") to the holders of ordinary shares and/or any other persons entitled to participate therein (including without limitation any holders of options under the Company's share option scheme(s) for the time being) in proportion (as nearly as may be) to their respective holdings of ordinary shares (or, as appropriate, the number of ordinary shares which such other persons are for the purposes of such Offering deemed to hold) on a record date fixed by the directors (whether before or after the date of this meeting) and subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in relation to fractional entitlements or otherwise howsoever;

   b) pursuant to the terms of any scheme for Directors and/or employees etc. of the Company and/or its subsidiaries; and

   c) otherwise than pursuant to sub-paragraphs (a) and (b) above, having in the case of the relevant shares (as defined by the said Section 1023) the allotment of equity securities up to a nominal aggregate amount equal to €83,539 (representing approximately 10% of the issued share capital of the Company as at the close of business on 29 May 2020), provided in each case the power shall, unless revoked or renewed by special resolution or the Constitution of the Company, expire on the earlier of fifteen months from the date of passing this Resolution and the conclusion of the next annual general meeting of the Company unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or issued after such expiry and the directors may allot equity securities (as defined by the said Section 1023) in pursuance of such offer or agreement as if the power conferred hereby had not expired.

The directors are of the opinion that the above proposals are in the best interest of shareholders and unanimously recommend to you to vote in favour of all resolutions as they intend to do in respect of their own beneficial holdings.

Compliance policy statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section ('Relevant Obligations'). The directors confirm that:

– a compliance policy statement has been drawn up setting out the Company's policies, that, in their opinion, are appropriate with regard to such compliance;

– appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and

– a review has been conducted, during the financial year, of those arrangements and structure.

It is also the policy of the Company to review at least twice during the course of each financial year the arrangements and structures referred to above which have been implemented with a view to determining if they provide reasonable assurance of compliance in all material respects with Relevant Obligations.

Going concern

The Group has a net asset position of €59.3m, including cash on hand of €0.7m at 31 December 2019. It recognised a loss for the year then ended of €26.9m.

The Directors have considered both current and future expenditure commitments and the options available to fund such commitments including further farm-out arrangements; equity funding alternatives and the implementation of further cost cutting measures.

In April 2020, the Group announced that it had entered into an exclusive non-binding agreement with SpotOn Energy for a period of six months. This period of exclusivity provides time for the Group and SpotOn Energy to progress financial terms and a work program which will materially reduce the Group's appraisal and development cost exposure. Under the term sheet, SpotOn Energy commits to funding the Barryroe appraisal and development program and contributing to certain operator costs. This outcome is dependent upon the successful completion of the farm-out arrangement with SpotOn Energy.

In April 2020, the Company raised c.€3m (c. USD $3.3m) (before related costs) through an equity and subscription placing. SpotOn Energy participated in the subscription placing, committing to invest £300,000 as part of the placing. The placing and subscription securities comprised of 1 ordinary share of €0.001, one 3p warrant (exercisable until May 2021) and one 9p warrant (exercisable until May 2022).

On 28 May 2020, the Company received the additional £200,000 from SpotOn Energy that had been committed to be paid within six weeks of the announcement of the placing.

The Directors have reviewed the current climate legalisation and the commitment by the Irish government to meet the Paris targets on climate change and assessed the implications this is likely to have upon the business. They note that, whilst future oil exploration is now banned in Irish waters, all existing hydrocarbon licences will be allowed to run their full course. This change in policy does not impact the appraisal and development of Barryroe field.

The Directors have considered carefully the financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 31 May 2021. The Directors have concluded based on their consideration of these cash flow forecasts, including the factors outlined above, taking all information that is currently available into account and noting the main risk factor in these cashflow forecasts being the completion of a commercially acceptable farm-out arrangement with SpotOn Energy or obtaining an alternative farm-out partner, that the Group will have sufficient funds to cover the levels of working capital and capital expenditure expected over the next 12 months, consistent with its strategy as an exploration and development company.

These events and conditions including the completion of a farm-out arrangement with SpotOn Energy represents a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern, and the Directors note that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and the financial statements do not include any adjustments that would be necessary if this basis were inappropriate.

Corporate governance

The Group is committed to high standards of corporate governance and recognises the role that good governance plays in delivering long-term growth in shareholder value. As such, the directors have elected to adopt the QCA's ten principles of Corporate Governance as a framework to communicate the Group's approach to good corporate governance in line with AIM listing requirements.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

Providence Resources P.l.c. is an Irish based upstream oil and gas company with assets located offshore Ireland. Operating for over 30 years, the Company (and its predecessor companies) has a well-established background in the Irish oil and gas business, having worked closely with many major international companies including ExxonMobil, Repsol, Total, Eni, Petronas and Cairn Energy.

The Company's core strategy is to economically appraise and develop the Barryroe Field.

A phased Barryroe development is expected to maximise field development returns by accelerating cash flow and progressively increasing reserves.

Fully developed, the Barryroe Field will become a production hub, and Providence envisages economically linking the Barryroe facilities with discovered resources and near field exploration opportunities off Ireland's South Eastern coast.

The Group's objectives are:

- Create value for stakeholders by appraising Barryroe and transforming 2C resources into 2P reserves
- Progress a phased Barryroe development designed to generate early cashflow and manage development capex and risk
- Make investment decisions designed to maximise overall return and minimise overall risk
- Maintain a balanced portfolio of commercially attractive licenses with Irish focus
- Target low risk exploration prospects with scope for early tie-back into existing production facilities, accelerating investment returns
- Actively evaluate M&A and asset swap opportunities to build value
- Explore new areas of opportunity such as Carbon Capture and Sequestrations projects

Principle 2: Seek to understand and meet shareholder needs and expectations

Providence has over 10,000 shareholders. There is regular dialogue with all shareholders via announcements, the Company's website and participation in a wide range of industry and market conferences. The Company also receives regular market feedback from its brokers and advisors. Formal presentations are made at the time of the release of the annual results, half-year results and at the Annual General Meeting (AGM). The Company encourages communication with shareholders throughout the year and welcomes their participation at General Meetings. The Company's website is www.providenceresources.com. This website is regularly updated and provides an option for shareholders to subscribe for email alerts which ensures that they receive direct notice of all announcements from the Company. All Board members attend the AGM and are available to answer questions. Separate resolutions are proposed on substantially different issues and the agenda of business to be conducted at the AGM includes a resolution to receive and consider the Annual Report and Accounts. The chairmen of the Board's committees will also be available at the AGM. The Board regards the AGM as a particularly important opportunity for shareholders, directors and management to meet and exchange views. Notice of the AGM together with the Annual Report & Accounts is sent to shareholders in accordance with the Constitution of the Company and details of the proxy votes for and against each resolution are announced after the result of the hand vote. We place a good deal of importance on and dedicate significant resources to our engagement with shareholders throughout the year. The formal and informal engagement with shareholders as outlined above has proven to be a useful source of information and feedback in helping the directors and management understand shareholders' wants and needs and, in turn, has played a key part in helping the Company in its long-term strategic planning. The primary points of contact for shareholders are the Chairman and CEO.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company recognises that it has a significant number of important stakeholders that are core to the successful execution of Providence's strategy and that the Company's success and performance in turn has an impact on these stakeholders. The list of stakeholders is non-exhaustive and includes Employees, Shareholders, Advisors, Partners, Regulators and Service Suppliers. The directors and management promote a culture of open dialogue with all stakeholders and have a demonstrable track record of considering and using stakeholder feedback as part of the Company's development and growth. The directors are aware of the Company's responsibilities to the communities within which Providence operates and, as such, always strive to maintain a positive and beneficial dialogue with those communities. The environmental impact of the Company's activities is carefully considered, and the maintenance of high environmental and safety standards is a priority.

The experienced leadership team understands that risk management plays an essential role in the exploration and development of natural resources and takes steps to mitigate risk and deliver attractive returns for all stakeholders. We:

- Deploy the Triple Bottom Line ("TBL") approach when assessing Barryroe development project potential, ensuring all project risks are managed effectively and benefits fully realised
- Ensure operations are undertaken to the highest safety and environmental standards and meet all Irish regulations and legislation
- Engage with stakeholders early and often in support of TBL delivery

Triple bottom line ("TBL")

The triple bottom line ("TBL") is a framework which commits business to focus on social and environmental concerns just as they do on profits. Instead of one bottom line, there are three: profit, people, and the planet. A TBL gauges the level of commitment to corporate social responsibility and its impact on the environment over time. TBL theory holds that a business which only measures profits, ignoring people and the planet, does not account for the full cost of doing business.

Sustainable development

Providence Resources supports the Irish government's commitment to deliver a Carbon Neutral Ireland by 2050 and is assessing technology which, when integrated with Barryroe field development, supports a seamless energy transition process by:

- Actively working to improve Ireland's energy security by developing indigenous sources of energy
- Supporting the use of domestically produced gas as the preferred transition fuel
- Exploring the potential for Carbon Capture and Sequestration offshore Ireland
- Preferring the sale of oil produced domestically for its chemical rather than its fuel value
- Reducing the carbon footprint associated with development activities
- Using Irish resources in project development and implementation
- Assessing the benefits of linking Blue Hydrogen production to Barryroe development

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Our management systems, organisational structures, processes, standards, code of conduct and behaviours together form a system of internal control that governs how we conduct the business of Providence and manage all associated risks. This is reviewed periodically to ensure that they are fit for purpose.

Internal control:

The directors have overall responsibility for the Group's system of internal control to safeguard shareholders' investments and the Group assets and have delegated responsibility for the implementation of this system to executive management. This system includes financial controls which enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records. The Board has established a process of compliance involving the Board's responsibility to maintain, review and report on all internal controls, including financial, operational and compliance risk management. Among the processes applied in reviewing the effectiveness of the system of internal controls are the following: Budgets are prepared for approval by executive management and inclusion in a Group budget approved by the Board. Expenditure is regularly compared to previously approved budgets. The Board establishes risk policies, as appropriate, for implementation by executive management. All commitments for expenditure and payments are compared to previously approved budgets and are subject to approval by personnel designated by the board of directors or by the board of subsidiary companies. Regular management meetings take place to review financial and operational activities. Cash flow forecasting is performed on an ongoing basis to ensure efficient use of cash resources. Regular financial results are submitted to and reviewed by the board of directors. The directors, through the Audit Committee, review the effectiveness of the Group's system of internal financial control. A review of the effectiveness of the system of internal control is carried out annually. The board has considered the requirement for an internal audit function. Based on the scale of the Group's operations and close involvement of the Board, the directors have concluded that an internal audit function is not currently required.

Risk management: currency risk

The Board reviews its annual Euro, Sterling and US dollar requirements by reference to bank forecasts and prevailing exchange rates and management is authorised to achieve best available rates in respect of each forecast currency requirements.

Risk management: general industry risk

The Group's business may be affected by the general risks associated with all companies in the oil and gas industry. These risks (the list of which is not exhaustive) include: general economic activity, the world oil and gas prices, the marketability of the hydrocarbons produced, action taken by other oil-producing nations and the extent of governmental regulation and taxation. All drilling to establish productive hydrocarbon reserves is inherently speculative and, therefore, a considerable amount of professional judgement is involved in the selection of any prospect for drilling. In addition, even when drilling successfully encounters oil and gas and a well is completed as a producing oil or gas well, unforeseeable operating problems or climatic conditions may arise which render it uneconomical to produce such oil and natural gas. Estimates of potential reserves include a substantial proportion which are undeveloped. These reserves require further capital expenditure in order to bring them into production. No guarantee can be given as to the success of drilling programmes in which the Group has interests. The Group can operate in different political jurisdictions where there could be risks pertaining to local regulations, war or nationalisation of reserves.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board is currently made up of one Executive and two Non-Executive Directors. The Board formation is reviewed periodically to ensure that it is fit for purpose. Biographies of each of the directors can be found on page 7. All directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The directors have a wide and varying array of experience in the industry. The Board agrees a schedule of regular meetings to be held in each calendar year and meets on other occasions as necessary. Meetings are held at the head office in Dublin. Board meetings were held on 34 occasions during 2019. An agenda and supporting documentation is circulated in advance of each meeting.

The table below shows the attendance at Board and Committee meetings during 2019.

Director	Resignation date	Board meetings attended/ eligible	Audit Committee	Remuneration Committee	Nomination Committee
Total in year		**34**	**1**	**–**	**1**
Tony O'Reilly	6 December 2019	33/33	N/a	N/a	N/a
John O'Sullivan	7 August 2019	19/21	N/a	N/a	N/a
Pat Plunkett	N/a	34/34	1/1	–	1/1
James McCarthy	12 September 2019	26/26	1/1	–	–
Philip O'Quigley	30 September 2019	22/30	N/a	–	–
Lex Gamble	30 September 2019	28/30	1/1	–	–
Angus McCoss	N/a	31/34	N/a	N/a	1/1

There is an agreed list of matters which the Board has formally reserved to itself for decision, such as approval of the Group's commercial strategy, trading and capital budgets, financial statements, board membership, acquisitions and disposals, major capital expenditure, risk management and treasury policies. Responsibility for certain matters is delegated to Board Committees. There is an agreed procedure for Directors to take independent legal advice. The Company Secretary is responsible for ensuring that Board procedures are followed, and all Directors have direct access to the Company Secretary. All Directors receive regular Group management financial statements and reports and full Board papers are sent to each Director in sufficient time before Board meetings, and any further supporting papers and information are readily available to all Directors on request. The chairman of each committee of the Board is available to give a report on the committee's proceedings at Board meetings if appropriate. The Board has a process whereby each year every Director will meet the Chairman to review the conduct of Board meetings and the general corporate governance of the Group. The role of the Chairman (Mr. Pat Plunkett) is Non-Executive. The Board considers their ability to act independently to be unaffected by participation in the Company's option scheme. Each year, one third of the directors retire from the Board by rotation and every Director is subject to this rule. Effectively, therefore, each Director will retire by rotation within each three-year period.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

Full biographies for each individual director can be found on page 7.

All appropriate resources (external and internal) that Directors require to augment, improve and keep their skill set current will be made available to them as needed.

The directors also have access to the advice and services of the Company Secretary and external legal advisors who are responsible for ensuring that all Board procedures are complied with.

The business was re-engineering in 2019 and this resulted in the business reverting to an outsourced model as it resulted in fewer employees and operated licences. This has impacted the number of Board members required to overview the business. The number of Board members is reviewed periodically to ensure that it is fit for purpose.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board evaluates its own processes and performance, including the work of its committees, to ensure its ongoing effectiveness on a continuous basis. A formal board evaluation takes place annually, in accordance with the procedures adopted by the Board. When appropriate, board evaluations are conducted by an external firm. All issues highlighted in board evaluations are considered by the Board and form an integral part of the broad spectrum of feedback the Board considers in the evolution of the Company's strategy and long-term planning. The performance and contribution of all directors is reviewed as part of the Board evaluation process.

The board ensures that appropriate processes and systems are in place to support succession planning both at board level and for the executive management of the Company.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The board has designed and implemented a code of business ethics which sets out formally the ethics and values we, as a team, wish to adhere to. Our code of business ethics is based on our values and sets clear expectations for how we operate and interact with all stakeholders. It applies to all Providence employees and board members.

Employees, contractors or other third parties who have a question about our code of business ethics or see something that they feel is inappropriate can raise these issues directly with Providence or, where appropriate, the relevant authorities. We take steps to identify and correct areas of non-compliance and will take further action as appropriate.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

There is an agreed list of matters which the Board has formally reserved to itself for decision, including approval of the Group's commercial strategy, trading and capital budgets, financial statements, Board membership, acquisitions and disposals, major capital expenditure, risk management and treasury policies. Responsibility for certain matters is delegated to Board Committees. There is an agreed procedure for Directors to take independent legal advice. The Company Secretary is responsible for ensuring that Board procedures are followed, and all Directors have direct access to the Company Secretary. All Directors receive regular Group management financial statements and reports and full Board papers are sent to each Director in sufficient time before Board meetings, and any further supporting papers and information are readily available to all Directors on request. The Board papers include the minutes of all committees of the Board which have been held since the previous Board meeting, and the chairman of each committee is available to give a report on the committee's proceedings at Board meetings if appropriate. The Board has a process whereby each year every Director meets the Chairman to review the conduct of Board meetings and the general corporate governance of the Group. The Chairman (Mr. Pat Plunkett) is Non-Executive. The Non-Executive Directors are independent of management and have no material interest or other relationship with the Group. Each year, one third of the directors retire from the Board by rotation and every Director is subject to this rule. Effectively, therefore, each Director will retire by rotation within each three-year period.

Board Committees

The Board has implemented an effective committee structure to assist in the discharge of its responsibilities. All committees of the Board have written terms of reference dealing with their authority and duties. Membership of the Audit, Remuneration and Nomination Committees is comprised exclusively of Non-Executive Directors. The Company Secretary acts as secretary to each of these committees.

DIRECTORS' REPORT
(CONTINUED)

Audit Committee

The Audit Committee reviews the accounting principles, policies and practices adopted in the preparation of the interim and annual financial statements and discusses with the Group's Auditors the results and scope of the audit. It also reviews the scope and performance of the Group's internal finance function and the effectiveness and independence of the external Auditors. The external Auditors are invited to attend the Audit Committee meetings, and the Chief Financial Officer also attends. The external auditors have the opportunity to meet with the members of the Audit Committee alone at least once a year. The Audit Committee comprises the Non-Executive Directors and is chaired by Mr. Pat Plunkett. The partner responsible for the external Audit is changed every 5 years to ensure audit independence.

Remuneration Committee

The Remuneration Committee comprises the Non-Executive Directors and is chaired by Mr. Angus McCoss. Emoluments of Executive Directors and senior management are determined by the Remuneration Committee. In the course of each financial year the Remuneration Committee determines basic salaries as well as the parameters for any possible bonus payments. The Remuneration Committee applies the same philosophy in determining Executive Directors' remuneration as is applied in respect of all employees. The underlying objective is to ensure that individuals are appropriately rewarded relative to their responsibility, experience and value to the Group. The Remuneration Committee is mindful of the need to ensure that, in a competitive environment, the Group can attract, retain and motivate executives who can perform to the highest levels of expectation. Annual bonuses, if any, are determined by the Remuneration Committee on the basis of objective assessments based on the Group's performance during the year in terms of key financial indicators, as well as a qualitative assessment of the individual's performance.

Nomination Committee

The Nomination Committee comprises the Non-Executive Directors. The Nomination Committee, which is chaired by Mr. Pat Plunkett, formally agrees criteria for new Non-Executive Director appointments, including experience of the industry in which the Group operates and professional background

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Shareholders

There is regular dialogue with institutional shareholders and presentations are made at the time of the release of the annual and interim results. The Company encourages communication with private shareholders throughout the year and welcomes their participation at general meetings. The Company's website is www.providenceresources.com. This website is regularly updated. All Board members attend the Annual General Meeting and are available to answer questions. Separate resolutions are proposed on substantially different issues and the agenda of business to be conducted at the Annual General Meeting includes a resolution to receive and consider the Annual Report and Accounts. The chairmen of the Board's committees will also be available at the Annual General Meeting. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, Directors and management to meet and exchange views. Notice of the Annual General Meeting together with the Annual Report and accounts is sent to shareholders in accordance with the Constitution of the Company and details of the proxy votes for and against each resolution are announced after the result of the showing hand vote.

Substantial shareholdings

So far as the Board is aware, no person or company, other than those mentioned below, held 3% or more of the ordinary share capital of the Company at 29 May 2020.

Pageant Holdings Limited	14.99%
M&G Investment Management Limited	11.80%
Kite Lake Capital Management (UK) LLC	9.83%
Merseyside Pension Fund	7.83%

Political donations

There were no political donations during the year *(2018: Nil)*.

Books and accounting records

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 of the Companies Act 2014, are kept by the Company. The directors, through the use of appropriate procedures and systems and the employment of competent persons, have ensured that measures are in place to secure compliance with these requirements. These books and accounting records are maintained at the Company's registered address is Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7, Republic of Ireland.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Auditors

KPMG have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014. Shareholders will be asked to authorise the directors to fix their remuneration.

On behalf of the directors

Pat Plunkett
Chairman

Alan Linn
Chief Executive

2 June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. As required by the AIM Rules, they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU. The directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position of the Group and Company and the profit and loss of the Group and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the directors

Pat Plunkett	**Alan Linn**
Chairman	*Chief Executive*

2 June 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PROVIDENCE RESOURCES P.L.C.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Providence Resources plc ('the Company') and its subsidiaries (together "the Group") for the year ended 31 December 2019 as set out on pages 19 to 48, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows, and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2019 and of the Group's result for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that, in order to fund current and future expenditure commitments, the Group is dependent upon completion of a farm-out arrangement with SpotOn Energy or upon its ability to obtain an alternative farm-out partner or upon its ability raise funding from shareholders. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Refer to page 24 to 25 (accounting policy)

The key audit matter

There is little judgement involved in the directors' conclusion that risks and circumstances described in note 1 to the financial statements represent a material uncertainty over the ability of the Group and Company to continue as a going concern for a period of at least one year from the date of approval of the financial statements.

However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area.

How the matter was addressed in our audit

Our audit procedures included, among others, assessing the completeness and accuracy of the going concern disclosure by:

- Inspecting management's going concern paper, which outlines the status of the various factors impacting on going concern, the risks attaching to the various potential outcomes and the likely future developments;
- Inspecting management's assessment of the cash flow projections prepared by Group management for the 12 month period from 1 June 2020 to 31 May 2021 and the related key underlying assumptions;
- Inspecting and challenging the key assumptions made and corroborating these assumptions with supporting evidence where possible;
- Performing a sensitivity analysis on management's cash flow projections;
- Performing inquires of management and the Audit Committee;
- Inspecting board minutes up to the date of approval of the financial statements;
- Considering the adequacy of the Group's subsequent events disclosures in note 24 on page 41, where these disclosures relate to the going concern assessment;
- Considering the adequacy of the Group's disclosures in note 1 on page 24 in respect of going concern, and whether the disclosures properly reflect the risks that the Group faces in respect of its ability to continue as a going concern.

Based on the audit evidence obtained, we found management's conclusion that the financial statements should be prepared on a going concern basis, including a description of a material uncertainty, to be reasonable. We found the disclosure of the material uncertainty to be appropriate in the circumstances.

Other key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Material uncertainty related to going concern" section, in arriving at our audit opinion above, the additional key audit matter for the Group is outlined below. As the Exploration and Evaluation ("E&E") assets within the Company have been impaired during the year, we did not consider the carrying value of E&E assets to be a key audit matter for the Company in our current year audit.

Carrying value of Exploration and Evaluation ('E&E') assets

Refer to page 29 (accounting policy) and page 34 (financial disclosures)

The key audit matter

The carrying value of E&E assets as at 31 December 2019 is €65.377 million.

The assessment of the carrying value of E&E assets requires management to exercise judgement and this judgement requires consideration of a number of factors, including but not limited to, an interpretation and assessment of the results of drilling and other appraisal activities during the year, the Group's intention and ability to proceed with a future work programme for a prospect or licence, and an assessment of the likely economic opportunity.

How the matter was addressed in our audit

We evaluated management's assessment of E&E assets with reference to the criteria of IFRS 6: Exploration for and Evaluation of Mineral Resources and the Group's accounting policy.

The audit procedures we performed included, but were not limited to, obtaining an understanding of the Group's ongoing E&E activity by interviewing executive and finance staff in relation to all key licences, and gathering audit evidence to assess the value of E&E assets carried forward. Such evidence included approved project budgets, evidence of ongoing appraisal activity and communications with joint venture partners.

Where an asset has demonstrated indicators of impairment but has been retained on the statement of financial position, we have gathered evidence to assess the status of current and future appraisal activity, the allocation of budgeted expenditure and any conclusion on commerciality.

Where assets have been impaired we inspected evidence of the impairment and challenged management on the events that led to the impairment.

Based on evidence obtained we found that the judgements exercised, and conclusions reached, by management are appropriate.

Our application of materiality and an overview of the scope of our audit

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be €0.33 million *(2018: €0.5 million)*, which is 0.5% of total assets. We determined materiality for the Company to be €0.23 million *(2018: €0.4 million)*, which is 0.5% of total assets. We considered total assets to be the appropriate benchmark for determining materiality due to the relative stability of this measure in recent years. We considered quantitative and qualitative factors such as understanding the entity and its environment, history of misstatements, complexity of the Group and reliability of the control environment.

We agreed with the Audit Committee that we would report to it all audit differences in excess of €0.015 million *(2018: €0.025 million)* as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Our audit scope included a full audit of all components, accounting for 100 per cent of the Group's total loss before tax and net assets.

Our audit of the Group and the Company was undertaken to the materiality levels specified above and was performed by a single engagement team in Dublin.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the the Directors' Report and Business Review and Corporate Governance Sections of the Annual Report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on page 15, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Meagher
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

2 June 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €'000	2018 €'000
Continuing operations			
Administrative expenses	2	**(4,542)**	(3,368)
Pre-licence expenditure	8	**(273)**	(334)
Impairment of exploration and evaluation assets	10	**(21,121)**	(723)
Operating loss	8	**(25,936)**	(4,425)
Finance income	3	**30**	96
Finance expense	4	**(947)**	(450)
Loss before income tax		**(26,853)**	(4,779)
Income tax expense	5	**–**	–
Loss for the financial year		**(26,853)**	(4,779)
Loss per share (cent)			
Basic and diluted loss per share	9	**(4.39)**	(0.80)

The total loss for the year is entirely attributable to equity holders of the Company.

The notes on pages 24 to 41 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €'000	2018 €'000
Loss for the financial year		**(26,853)**	(4,779)
Other comprehensive income			
Items that may be reclassified into profit or loss:			
Foreign exchange translation differences		**1,195**	2,703
Total comprehensive expense for the year		**(25,658)**	(2,076)

The total comprehensive expense for the year is entirely attributable to equity holders of the Company.

The notes on pages 24 to 41 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 €'000	2018 €'000
Assets			
Exploration and evaluation assets	10	**65,377**	81,867
Property, plant and equipment	11	**38**	28
Total non-current assets		**65,415**	81,895
Trade and other receivables	12	**398**	464
Cash and cash equivalents	13	**710**	7,617
Total current assets		**1,108**	8,081
Total assets		**66,523**	89,976
Equity			
Share capital	14	**71,512**	71,452
Share premium	14	**251,300**	247,918
Undenominated capital		**623**	623
Foreign currency translation reserve	15	**10,087**	8,892
Share based payment reserve	15	**642**	1,745
Retained deficit		**(274,898)**	(248,759)
Total equity attributable to equity holders of the Group		**59,266**	81,871
Liabilities			
Decommissioning provision	16	**5,733**	7,406
Lease liability		**9**	–
Total non-current liabilities		**5,742**	7,406
Trade and other payables	18	**1,515**	699
Total current liabilities		**1,515**	699
Total liabilities		**7,257**	8,105
Total equity and liabilities		**66,523**	89,976

On behalf of the board

Pat Plunkett
Chairman

Alan Linn
Chief Executive

The notes on pages 24 to 41 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital €'000	Undenominated capital €'000	Share premium €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Retained deficit €'000	Total €'000
At 1 January 2019	71,452	623	247,918	8,892	1,745	(248,759)	81,871
Total comprehensive expense							
Loss for financial year	–	–	–	–	–	(26,853)	(26,853)
Currency translation	–	–	–	1,195	–	–	1,195
Total comprehensive expense	–	–	–	1,195	–	(26,853)	(25,658)
Transactions with owners, recorded directly in equity							
Share based payment expense	–	–	–	–	40	–	40
Share options lapsed in year	–	–	–	–	(1,143)	1,143	–
Shares issued in year	60	–	3,382	–	–	(429)	3,013
Transactions with owners, recorded directly in equity	**60**	**–**	**3,382**	**–**	**(1,103)**	**714**	**3,053**
At 31 December 2019	**71,512**	**623**	**251,300**	**10,087**	**642**	**(274,898)**	**59,266**

	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 2018	71,452	623	247,918	6,189	1,502	(243,980)	83,704
Total comprehensive expense							
Loss for financial year	–	–	–	–	–	(4,779)	(4,779)
Currency translation	–	–	–	2,703	–	–	2,703
Total comprehensive expense	–	–	–	2,703	–	(4,779)	(2,076)
Transactions with owners, recorded directly in equity							
Share based payments expense	–	–	–	–	243	–	243
Transactions with owners, recorded directly in equity	–	–	–	–	243	–	243
At 31 December 2018	**71,452**	**623**	**247,918**	**8,892**	**1,745**	**(248,759)**	**81,871**

The notes on pages 24 to 41 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €'000	2018 €'000
Cash flows from operating activities		
Loss after tax for the year	**(26,853)**	(4,779)
Adjustments for:		
Depletion and depreciation	**35**	55
Amortisation of intangible assets	**–**	88
Impairment of exploration and evaluation assets	**21,121**	723
Finance income	**(30)**	(96)
Finance expense	**947**	450
Share based payment charge	**40**	243
Foreign exchange	**(122)**	(677)
Change in trade and other receivables	**66**	7,196
Change in trade and other payables	**825**	(10,885)
Net cash outflow from operating activities	**(3,971)**	(7,682)
Cash flows from investing activities:		
Interest received	**30**	96
Acquisition of exploration and evaluation assets	**(6,075)**	(5,043)
Acquisition of property, plant and equipment	**(56)**	(21)
Net cash used in investing activities	**(6,101)**	(4,968)
Cashflows from financing activities		
Proceeds from issue of share capital	**3,442**	–
Issue costs	**(429)**	–
Net cash from financing activities	**3,013**	–
Net decrease in cash and cash equivalents	**(7,059)**	(12,650)
Cash and cash equivalents at beginning of year	**7,617**	19,603
Effect of exchange rate fluctuations on cash and cash equivalents	**152**	664
Cash and cash equivalents at end of year	**710**	7,617

The notes on pages 24 to 41 to the financial statements form an integral part of the statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies

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.

The consolidated financial statements of the Group for the year ended 31 December 2019 are comprised of the financial statements of the Company and its subsidiaries, together referred to as "the Group".

Statement of compliance

As required by AIM and ESM rules and permitted by Company Law, the Group financial statements have been prepared in accordance with IFRS as adopted by the EU. The individual financial statements of the Company (Company financial statements) have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") in accordance with the Companies Act 2014 which permits a Company, that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 304 of the Companies Act 2014, from presenting to its members its Company income statement and related notes that form part of the approved Company financial statements. The IFRS's adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective for accounting periods commencing on or before 1 January 2019 or were early adopted as indicated below.

Basis of preparation

The consolidated financial statements are presented in euro, rounded to the nearest thousand (€'000) except where otherwise indicated. The euro is the functional currency of the parent company. The consolidated financial statements are prepared under the historical cost basis except for share options which are measured at grant date fair value, and derivative financial instruments which are measured at fair value at each reporting date.

The preparation of financial statements requires management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Details of critical judgements are disclosed in 'judgements and estimates' below on page 27.

Under the provisions of Section 304 of the Companies Act 2014, the Company is not presenting a separate profit and loss account. A loss of €28,144,000 *(2018: €10,826,000)* for the financial year ended 31 December 2019 has been dealt with in the separate profit and loss account of the Company.

The financial statements were authorised for issue by the board of directors on 2 June 2020.

Going concern

The Group has a net asset position of €59.3m, including cash on hand of €0.7m at 31 December 2019. It recognised a loss for the year then ended of €26.9m.

The Directors have considered both current and future expenditure commitments and the options available to fund such commitments including further farm-out arrangements, equity funding alternatives and the implementation of further cost cutting measures.

In April 2020, the Group announced that it had entered into an exclusive non-binding agreement with SpotOn Energy for a period of six months. This period of exclusivity provides time for the Group and SpotOn Energy to progress financial terms and a work program which will materially reduce the Group's appraisal and development cost exposure. Under the term sheet, SpotOn Energy commits to funding the Barryroe appraisal and development program and contributing to certain operator costs. This outcome is dependent upon the successful completion of the farm-out arrangement with SpotOn Energy.

In April 2020, the Company raised c.€3m (c. USD $3.3m) (before related costs) through an equity and subscription placing. SpotOn Energy participated in the subscription placing, committing to invest £300,000 as part of the placing. The placing and subscription securities comprised of 1 ordinary share of €0.001, one 3p warrant (exercisable until May 2021) and one 9p warrant (exercisable until May 2022).

On 28 May 2020, the Company received the additional £200,000 from SpotOn Energy that had been committed to be paid within six weeks of the announcement of the placing.

The Directors have reviewed the current climate legalisation and the commitment by the Irish government to meet the Paris targets on climate change and assessed the implications this is likely to have upon the business. They note that, whilst future oil exploration is now banned in Irish waters, all existing hydrocarbon licences will be allowed to run their full course. This change in policy does not impact the appraisal and development of Barryroe field.

1 Accounting policies (continued)

Going concern (continued)

The Directors have considered carefully the financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 31 May 2021. The Directors have concluded based on their consideration of these cash flow forecasts, including the factors outlined above, taking all information that is currently available into account and noting the main risk factor in these cashflow forecasts being the completion of a commercially acceptable farm-out arrangement with SpotOn Energy or obtaining an alternative farm-out partner, that the Group will have sufficient funds to cover the levels of working capital and capital expenditure expected over the next 12 months, consistent with its strategy as an exploration and development company.

These events and conditions including the completion of a farm-out arrangement with SpotOn Energy represents a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern, and the Directors note that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and the financial statements do not include any adjustments that would be necessary if this basis were inappropriate.

Recent accounting pronouncements

New and Amended Standards and Interpretations effective during 2019

The Group has applied the following standards, interpretations and amendments with effect from 1 January 2019:

- IFRS 16 *Leases*;
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*; Amendments to IAS 28, *Long-term Interests in Associates and Joint Ventures*; *Annual Improvements 2015-2017 Cycle*;
- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*; and
- IFRIC 23 *Uncertainty over Income Tax Treatments*.

The effect of applying IFRS 16 is disclosed in the changes in significant accounting policies note. The other changes listed above did not result in material changes to the Group's consolidated financial statements.

New and Amended Standards and Interpretations Issued but not yet Effective or Early Adopted

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

Changes in significant accounting policies

Adoption of IFRS 16 Leases

The Group has initially adopted IFRS 16 Leases from 1 January 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Group has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

The adoption of IFRS 16 eliminated the classification of leases as either operating leases or finance leases and introduced a single lessee accounting model. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Impact of adoption of IFRS 16

The Group presents right-of-use assets in 'property, plant and equipment', in the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as follows.

	Land and buildings €'000	Total €'000
At 1 January 2019	46	46
At 31 December 2019	**27**	**27**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

1 Accounting policies (continued)

Impact of adoption of IFRS 16 (continued)

The Group presents lease liabilities in 'creditors' in the balance sheet. The carrying amounts of lease liabilities are as follows.

	Current lease liabilities €'000	Non-current lease liabilities €'000	Total €'000
At 1 January 2019	18	28	46
At 31 December 2019	**18**	**9**	**27**

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised. Right-of-use assets are subject to impairment testing.

The lease liability is initially measured at the present value of certain lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. The Group has elected to avail of the practical expedient not to separate lease components from any associated non-lease components.

The lease payments are discounted using the lessee's incremental borrowing rate as the interest rate implicit in the lease is generally not readily determinable.

After the commencement date, the lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has elected to apply the recognition exemptions for short-term and low-value leases and recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Impacts on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. On transition the right-of-use assets of €46,000 representing its rights to use the underlying assets equated to the lease liabilities of €46,000 representing its obligation to make lease payments, and, accordingly, no difference was recognised to opening retained earnings. When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the lessee's incremental borrowing rate at 1 January 2019. The incremental borrowing rate used was 10%.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2018 as follows:

	€'000
Operating lease commitments at 31 December 2018	251
Recognition exemption under IFRS 16	(200)
Impact of discounting	(5)
Lease liabilities at 1 January 2019	**46**

Impact for the period

In relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs instead of an operating lease expense. During the year ended 31 December 2019, the Group recognised €19,000 of depreciation charges and €1,900 of interest costs in respect of these leases.

Accounting Policy Applied Before 1 January 2019

Arrangements in which substantially all of the risks and rewards of ownership of an asset were not transferred to the Group by the lessor were classified as operating leases. Operating lease rentals were expensed in the Consolidated Income Statement on a straight-line basis over the lease term.

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power of the entity. In assessing control, potential voting rights that are substantive are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-Group balances, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

Jointly controlled operations

Jointly controlled operations are those activities over which the Group exercises joint control with other participants, established by contractual agreement. The Group recognises, in respect of its interests in joint operations, the assets that it controls, the liabilities that it incurs, the expenses that it incurs and the share of the income that it earns from the sale of goods or services by the joint operation.

Judgements and estimates

Preparation of financial statements pursuant to EU IFRS requires a significant number of judgemental assumptions and estimates to be made. These impact on the income and expenses recognised both within the income statement and the statement of comprehensive income together with the valuation of the assets and liabilities in the statement of financial position. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. It should be noted that some assumptions and estimates used in valuations can have a material impact on the reported results. The following are key sources of estimation uncertainty and critical accounting judgements in applying the Group's accounting policies.

i) Exploration and evaluation assets

The carrying value of exploration and evaluation assets was €65.4 million *(2018: €81.9 million)* at 31 December 2019. The directors carried out a review, in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Interests*, of the carrying value of these assets and are satisfied that these are recoverable, acknowledging however that their recoverability is dependent on future successful exploration efforts; see note 10.

ii) Decommissioning

The decommissioning provision amounts to €5.7 million *(2018: €7.4 million)* at 31 December 2019 and represents management's best estimate of the costs involved in decommissioning the various exploration licence areas to return them to their original condition. These estimates include certain management assumptions with regard to future costs, timing of activity, inflation rates and discount rates; see note 16.

Going concern

Refer to page 24 for further details.

Employee benefits

(i) Defined contribution pension plans

A defined contribution plan is a post employment benefit plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

(ii) Share based payment transactions

The Company's schemes are equity-settled share-based payment arrangements with non-market performance conditions which fall within the scope of and are accounted for under the provisions of IFRS 2 – *Share Based Payment*. Accordingly, the grant date fair value of the options granted under these schemes is recognised as a personnel expense with a corresponding increase in "the Share based payment reserve", within equity, over the vesting period. The fair value of these options is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

1 Accounting policies (continued)

Finance income and expenses

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest on leased assets, unwinding of any discount on provisions, and foreign exchange movements in the retranslation of non-euro denominated liabilities.

Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains or losses are generally recognised in the income statement. Gains and losses arising on loans are classified as part of finance costs. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences associated with the retranslation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of the relevant amount in the FCTR is transferred to the income statement.

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they are unlikely to reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities on a net basis or their tax assets and liabilities will be settled simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

1 Accounting policies (continued)

Exploration and evaluation assets and development and production assets

The Group has adopted IFRS 6 *Exploration for and Evaluation of Mineral Resources* in preparing these financial statements.

(i) Exploration and evaluation assets

Expenditure incurred prior to obtaining the legal rights to explore an area is written off to the income statement. Expenditures incurred on the acquisition of a licence interest are initially capitalised on a licence by licence basis considering the degree to which the expenditure can be associated with finding specific reserves. Exploration and evaluation expenditure incurred in the process of determining exploration targets within licensed areas is also capitalised. No value is attributed to exploration licenses granted. These expenditures are held undepleted within the exploration licence asset until such time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration and evaluation drilling costs are capitalised within each licence area until the success or otherwise of the well has been established. Unless further evaluation expenditures in the licence area have been planned and agreed or unless the drilling results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial, drilling costs are written off. Where applicable, the Group's administrative internal costs are capitalised where it is evident that these costs are directly attributable to the evaluation or exploration of those assets. Interest is capitalised within exploration and evaluation assets if it is directly attributable to the evaluation or exploration of those assets.

Expenditure on exploration and evaluation assets is held undepleted within the exploration licence asset until such time as the exploration phase on the licence area is complete or commercial reserves have been recognised, subject to any impairment losses recognised. This is in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*.

(ii) Development and production oil and gas assets

Following appraisal of successful exploration wells and the establishment of commercial reserves, the related capitalised exploration and evaluation expenditures are reclassified as development and production assets. Farm-out transactions are accounted for based on the specific terms of the individual farm-out agreement.

Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development and production assets or replaces part of the existing development and production assets. Any costs associated with the replacement of assets are expensed to the income statement.

(iii) Depletion

The Group will deplete expenditure on development and production assets on a unit of production basis, based on proved and probable reserves on a licence by licence basis. Capitalised costs, together with anticipated future development costs calculated at price levels ruling at the reporting date, will be amortised on a unit of production basis.

Amortisation will be calculated by reference to the proportion that production for the period bears to the total of the estimated remaining commercial reserves as at the beginning of the period. Changes in reserves quantities and cost estimates will be recognised prospectively.

(iv) Joint arrangements and cash calls

The Group has shared interests in a number of licences. In cases where the Group acts as operator of these licence areas, requests for cash from other partners, known as cash calls (or invoices), are made in accordance with agreed budgets. These cash call amounts are recognised as a credit to evaluation, exploration, development and production assets, where appropriate, to ensure that costs capitalised reflect the Group's interest only.

(v) Impairment

Exploration and evaluation assets are reviewed regularly for indicators of impairment and costs are written off where circumstances indicate that the carrying value might not be recoverable. In such circumstances, the exploration and evaluation asset is allocated to development and production assets within the same cash generating unit and tested for impairment. Any such impairment arising is recognised in the income statement for the period. Where there are no development and production assets, the impaired costs of exploration and evaluation are charged immediately to the income statement.

1 Accounting policies (continued)

(vi) Decommissioning costs and provisions

Provision is made for the decommissioning of oil and gas wells and other oilfield facilities. The cost of decommissioning is determined through discounting the amounts expected to be payable to their present value at the date the provision is recorded, and this calculation is reassessed at each reporting date. The unwinding of the discount is reflected as a finance cost in the income statement over the expected remaining life of the well. Changes in the decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the related asset. The decommissioning provision is reviewed annually.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is recognised on a straight-line basis over the estimated useful lives of the related assets.

The estimated useful lives for the current and comparative periods are as follows:

- Furniture and equipment 3 years
- Right-of-use assets 2 years

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of less than 90 days.

Trade and other receivables

Trade and other receivables are initially measured at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade and other receivables is recognised based on the expected credit losses ('ECL') for those trade and other receivables. ECLs are a probability–weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls related to the receivable. Loss allowances are based on lifetime ECLs, except for the following which are measured as 12 month ECLs:

- Other receivables which have been determined to be low risk at the reporting date.

Trade and other payables

Subsequent to initial recognition, trade and other payables are measured at amortised cost.

Financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not carried at fair value through the income statement, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost.

A financial instrument is recognised where the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from retained earnings, net of any tax effects.

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.

2 Administrative expenses

	2019 €'000	2018 €'000
Corporate, exploration and development expenses	**3,897**	4,766
Restructuring costs	**1,170**	–
Foreign exchange gain	**(120)**	(216)
Total administration expenses for the year	**4,947**	4,550
Capitalised in exploration and evaluation assets (note 10)	**(405)**	(1,182)
Total charged to the income statement	**4,542**	3,368

3 Finance income

	2019 €'000	2018 €'000
Bank deposit interest income	**30**	96

4 Finance expense

	2019 €'000	2018 €'000
Unwind of discount on decommissioning provision	**521**	382
Foreign exchange loss on decommissioning provision	**424**	68
Interest on right to use asset	**2**	–
Total finance expense recognised in income statement	**947**	450

5 Income tax result

	2019 €'000	2018 €'000
Current tax expense		
Current year	**–**	–
Deferred tax expense		
Origination and reversal of temporary differences	**–**	–
Total income tax charge for year	**–**	–

A reconciliation of the expected tax benefit computed by applying the standard Irish tax rate to the loss before tax to the actual tax result is as follows:

	2019 €'000	2018 €'000
Loss before tax	**(26,853)**	(4,779)
Irish standard tax rate	**12.5%**	12.5%
Tax credit at the Irish standard rate	**(3,357)**	(597)
Expenses not deductible for tax purposes	**3,637**	306
Losses carried forward	**(280)**	317
Other	**–**	(26)
Tax result for the year	**–**	–

6 Employee expenses and numbers

	2019 €'000	2018 €'000
Wages and salaries	**1,284**	1,700
Social welfare costs	**162**	190
Defined contribution pension costs	**158**	187
Redundancy costs	**722**	–
Share-based payment expense (note 19)	**40**	243
	2,366	2,320

The following expenses, which are included in the above amounts, were capitalised during the year:

	2019 €'000	2018 €'000
Wages and salaries	**246**	690

The average number of persons employed during the year (including executive directors) by activity was as follows:

	2019 Number	2018 Number
Exploration and evaluation	**5**	7
Corporate management and administration	**6**	7
	11	14

The Group contributes to an externally funded defined contribution scheme to satisfy the pension arrangements in respect of certain management personnel. The total pension cost charged for the year was €158,000 *(2018: €187,000)*.

7 Directors' remuneration and transactions with key management personnel

Directors' emoluments are analysed as follows:

		Salaries and other emoluments		Fees		Total	
	Resignation date (if applicable)	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Executive							
Tony O'Reilly	6 December 2019	**954**	470	**–**	–	**954**	470
John O'Sullivan[1,2]	7 August 2019	**256**	384	**–**	–	**256**	384
Sub-total		**1,210**	854	**–**	–	**1,210**	854
Non-executive							
Lex Gamble	30 September 2019	**–**	–	**34**	45	**34**	45
James McCarthy	12 September 2019	**–**	–	**32**	45	**32**	45
Angus McCoss		**–**	–	**45**	45	**45**	45
Philip O'Quigley	30 September 2019	**–**	–	**34**	45	**34**	45
Pat Plunkett		**–**	–	**100**	100	**100**	100
Sub-total		**–**	–	**245**	280	**245**	280
Total		**1,210**	854	**245**	280	**1,455**	1,134

[1] John O'Sullivan's emoluments include pension contributions of €32,960 *(2018: €49,440)*.
[2] John O'Sullivan resigned from the Board on 7 August 2019 but left the Company on 31 August 2019

The share-based payments expense in relation to directors amounted to €40,000 *(2018: €217,000)*.

The emoluments of Mr. Tony O'Reilly include payments made to Kildare Consulting Limited under the terms of his employment contract (note 22). Included in the emoluments of Mr. Tony O'Reilly is a settlement payment of €493,500 for the early termination of his contracts. There were no loans outstanding to any director at any time during the year. Details of the directors' interests in shares and share options are set out on pages 8 and 9.

7 Directors’ remuneration and transactions with key management personnel (continued)

Transactions with key management personnel comprising directors and other senior management

Key management personnel are considered to be the board of directors and other key management. The compensation of key management personnel was as follows:

	2019 €’000	2018 €’000
Wages, salaries and fees (including termination payments):		
Executive directors	**1,177**	805
Non-executive directors	**245**	280
Other key management salaries	**327**	316
	1,749	1,401
Social welfare costs	**59**	75
Defined contribution pension costs	**75**	97
Share-based payment expense	**40**	224
	1,923	1,797

8 Statutory and other information

	2019 €’000	2018 €’000
Auditor’s remuneration		
– Audit	**54**	54
– Audit of subsidiary entities	**9**	21
– Taxation services	**8**	8
Operating lease rentals on property	**258**	214
Depreciation on property, plant and equipment	**35**	55
Amortisation of intangible assets	**–**	88
Impairment of evaluation and exploration assets	**23,763**	723
Fair value adjustment of abandonment provision	**(2,642)**	–
Pre-licence exploration expenditure	**273**	334
Directors’ emoluments		
– Fees	**245**	280
– Salaries and other emoluments	**1,210**	854

9 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 2019 €’000	Total 2018 €’000
Loss attributable to equity holders of the Company	**(26,853)**	(4,779)

The weighted average number of ordinary shares in issue is calculated as follows:

	2019	2018
In issue at beginning of year (‘000s)	**597,659**	597,659
Adjustment for share issue in year	**14,308**	–
Weighted average number of ordinary shares (‘000s)	**611,967**	597,659

	2019 cent	2018 cent
Basic and diluted loss per share (cent)	**(4.39)**	(0.80)

There is no difference between the basic loss per ordinary share and the diluted loss per ordinary share for the current year as all potentially dilutive ordinary shares outstanding are anti-dilutive in relation to continuing operations. There were 4,650,000 *(2018: 28,255,000)* anti-dilutive share options in issue at 31 December 2019.

10 Exploration and evaluation assets

	Republic of Ireland €'000
Cost and net book value	
At 1 January 2018	74,831
Additions	7,499
Administration expenses	1,182
Cash calls received in year	(3,638)
Impairment charge	(723)
Foreign exchange translation	2,716
At 31 December 2018	81,867
Additions	5,670
Administration expenses	405
Impairment charge (see below)	(23,763)
Foreign exchange translation	1,198
At 31 December 2019	**65,377**

The exploration and evaluation asset balance at 31 December 2019 relates to the Barryroe asset. The directors assessed all activities ongoing within exploration and evaluation assets and determined that an impairment charge of €23.8 million *(2018: €0.7 million)* was required at 31 December 2019 against the West of Ireland licences (Dunquin, Avalon and Newgrange). Following this assessment and impairment of certain assets, the directors reassessed the probable decommissioning period which resulted in a fair value credit of €2.6m to the income statement in the abandonment provision (see note 16). The net of these adjustments, €21.2m, is presented as impairment of exploration and evaluation assets within the income statement.

The directors recognise that the future realisation of the Barryroe asset is dependent on future successful exploration and appraisal activities and the subsequent economic production of hydrocarbon reserves.

11 Property, plant and equipment

	Right of use assets €'000	Furniture and equipment €'000	Total €'000
Cost			
At 1 January 2018	–	691	691
Additions in year	–	21	21
At 31 December 2018	–	712	712
Recognition of right to use asset on initial application of IFRS 16	46	10	56
Disposal	–	(590)	(590)
At 31 December 2019	**46**	**132**	**178**
Depreciation			
At 1 January 2018	–	629	629
Charge for year	–	55	55
At 31 December 2018	–	684	684
Charge for year	19	16	35
Disposal	–	(579)	(579)
At 31 December 2019	**19**	**121**	**140**
Net book value			
At 31 December 2019	**27**	**11**	**38**
At 31 December 2018	–	28	28

12 Trade and other receivables

	2019 €'000	2018 €'000
VAT recoverable	**53**	59
Prepayments	**242**	172
Other receivables	**–**	5
Amounts due from joint operation partners	**103**	228
	398	464

Amounts due from joint operation partners are normal billings, due on demand.

13 Cash and cash equivalents

	2019 €'000	2018 €'000
Held in bank accounts	**710**	7,617
Cash and cash equivalents	**710**	7,617

14 Share capital and share premium

Authorised	Number ('000)	€'000
Deferred shares of €0.011 each (a) at beginning of year	**1,062,442**	**11,687**
Deferred shares of €0.011 each (a) at end of year	**9,944,066**	**109,385**
Ordinary shares of €0.10 each at beginning of year	**986,847**	**98,685**
Ordinary shares of €0.001 each at end of year	**986,847**	**987**

(a) The deferred shares do not entitle the shareholder to receive a dividend or other distribution, do not entitle the shareholder to receive notice of or vote at any general meeting of the Company, and do not entitle the shareholder to any proceeds on a return of capital or winding up of the Company.

Issued	Number 000's	Share capital €'000	Share premium €'000
Deferred Shares of €0.011 each			
At 31 December 2018	1,062,442	11,687	5,691
Re-designated as Ordinary Shares at 30 September 2019 (see below)	5,378,931	59,168	–
At 31 December 2019	**6,441,373**	**70,855**	**5,691**
Ordinary Shares of €0.001 each			
At 31 December 2018 (Ordinary Shares of €0.1 each)	597,659	59,765	242,227
Re-designated as Ordinary Shares at 30 September 2019 (see below)	597,659	597	242,227
Shares issued during the year	59,766	60	3,382
At 31 December 2019 (OrdinaryShares of €0.001)	**657,425**	**657**	**245,609**
At 31 December 2019 (Total Deferred and Ordinary Shares)	**7,098,798**	**71,512**	**251,300**

On 30 September 2019, the Company carried out a sub-division and re-designation of Ordinary shares, whereby each €0.10 Ordinary Share was converted into a €0.001 Ordinary Share and 9 Deferred Shares of €0.011 each.

On 30 September 2019, the Company issued 59,765,890 Ordinary Shares which raised approximately €3.44m ($3.76 million) before expenses.

15 Reserves

The statement of changes in equity outlines the movement in reserves during the year. The reserves included within that statement are further explained below:

a) The currency translation reserve comprises all foreign exchange differences from 1 January 2006, arising from the translation of the net assets of the Group's non-euro denominated operations, including translation of the profits of such operations from the average exchange rate to the rate at the reporting date.

b) The share-based payment reserve comprises the fair value of all share options which have been charged over the vesting period, net of amounts relating to share options forfeited, exercised or lapsed during the year, which are reclassified to retained earnings.

16 Decommissioning provisions

	2019 €'000	2018 €'000
At beginning of year	**7,406**	6,956
Unwinding of discount	**521**	382
Foreign exchange loss	**448**	68
Fair value adjustment in provision liability	**(2,642)**	–
At end of year	**5,733**	7,406

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2025 and 2027. During the year, the Group reassessed the estimated decommissioning period and this has resulted in a fair value adjustment of €2.6m. This adjustment was netted against the exploration and evaluation impairment line within the income statement. The provision for decommissioning is reviewed annually. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% *(2018: 10%)* per annum, reflecting the associated risk profile.

17 Deferred taxation

The Group has not recognised a potential deferred tax asset of €26.9 million *(2018: €25.9 million)* which mainly relates principally to unutilised tax losses available to carry forward, all of which arose in Ireland, on the basis that it is not probable that the Group will have taxable profits available in future periods against which this asset could be utilised.

Substantially all of the unutilised losses may be carried forward, indefinitely, as long as oil production commences within 25 years from the date of the losses originating.

18 Trade and other payables

	2019 €'000	2018 €'000
Accruals	**385**	401
Other payables	**1,112**	298
Leases	**18**	–
	1,515	699

19 Share schemes

Share option schemes were introduced in August 1997 (expired August 2007), May 2005 (expired October 2015) and June 2009 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. There have been no changes in this policy since the adoption of the first scheme in August 1997. The 1997 and 2005 Schemes have both now expired and no new options may be granted from these schemes. The Remuneration Committee reviews and assesses proposals to grant share options to participants under the 2009 share option scheme and the 2016 Long Term Incentive Plan. Participation is at the discretion of Directors for eligible participants.

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.

19 Share schemes (continued)

(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 2019, options over 4,650,000 *(2018: 6,055,000)* shares remained outstanding at subscription prices ranging from €0.142 to €0.170, with a weighted average price of €0.16 *(2018: €0.36)*. These options expire at varying dates up to June 2024, with none exercisable at year end.

2016 LTIP Scheme

In 2016, the Director implemented a long-term incentive plan ("the 2016 LTIP Scheme") for Directors following alterations to certain provisions of the 2009 Share Option Scheme. The alterations provide for a fixed exercise price significantly above the then market price and a reduction in the period of time during which options can be exercised. The applicable alterations were as follows:

(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 Company's shares exceeds a price of €0.45 per 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 Company's Shares exceeds a price of €0.45 per Share.

No options are exercisable more than three years after the grant date and no options is exercisable within one year of grant.

No options were granted during the year *(2018: Nil)* under this scheme.

At 31 December 2019, there were no *(2018: 22,200,000)* options outstanding, as all options expired on 8 August 2019.

Charge

The share-based payment charge for the year was €40,000 *(2018: €243,000)*.

20 Financial instruments

Financial risk management objectives, policies and processes

The Group has exposure to the following risks from its use of financial instruments:

(a) Interest rate risk

(b) Foreign currency risk

(c) Liquidity risk

(d) Credit risk

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and framework in relation to the risks faced.

(a) Interest rate risk

The Group currently finances its operations through a mixture of shareholders' funds and bank deposits. Short term cash funds are generally invested in short term interest bearing bank deposits. The Group did not enter into any hedging transactions with respect to interest rate risk; however, the requirement for such instruments is kept under ongoing review.

The interest rate profile of these interest-bearing financial instruments was as follows:

	2019 €'000	2018 €'000
Variable rate instruments		
Financial assets – cash and cash equivalents	**710**	7,617

20 Financial instruments (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ('bps') in interest rates at 31 December 2019 and 31 December 2018 would have increased/(decreased) the reported loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit	
	100 bps increase €'000	100 bps decrease €'000
31 December 2019		
Variable rate instruments	**6**	**(5)**
31 December 2018		
Variable rate instruments	20	(25)

(b) Foreign currency risk

The Group is exposed to currency risk on purchases, loans and bank deposits that are denominated in a currency other than the functional currency of the entities of the Group.

It is Group policy to ensure that foreign currency risk is managed wherever possible by matching foreign currency income and expenditure. During the years ended 31 December 2019 and 2018 the Group did not utilise either foreign currency forward contracts or derivatives to manage foreign currency risk on future net cash flows.

The Group's foreign currency risk exposure in respect of the principal foreign currencies in which the Group operates was as follows:

	31 December 2019					31 December 2018				
	Euro €'000	GBP €'000	USD €'000	Not at risk EUR €'000	Total €'000	Euro €'000	GBP €'000	USD €'000	Not at risk EUR €'000	Total €'000
VAT recoverable	**–**	**–**	**–**	**53**	**53**	–	–	–	59	59
Other debtors	**–**	**–**	**104**	**241**	**345**	–	–	151	254	405
Cash and cash equivalents	**–**	**257**	**322**	**131**	**710**	–	5,195	2,211	211	7,617
Trade and other payables	**–**	**(110)**	**(816)**	**(589)**	**(1,515)**	–	(116)	(215)	(368)	(699)
Total exposure	**–**	**147**	**(390)**	**(164)**	**(407)**	–	5,079	2,147	156	7,382

The following are the significant exchange rates that applied against 1 euro during the year:

	Average rate		Spot rate at 31 December	
	2019	2018	2019	2018
1 GBP	**0.8759**	0.8860	**0.8508**	0.8945
1 USD	**1.1195**	1.1793	**1.1234**	1.1450

Sensitivity analysis

A 10% strengthening and weakening of the euro against the following currencies, based on outstanding financial assets and liabilities at 31 December 2019 and 31 December 2018 would have increased/(decreased) the reported loss and equity by the amounts below as a consequence of the retranslation of foreign currency denominated financial assets and liabilities at those dates. It is assumed that all other variables, especially interest rates, remain constant in the analysis.

	Profit/(loss)		Equity	
	10% increase €'000	10% decrease €'000	10% increase €'000	10% decrease €'000
31 December 2019				
GBP	**(23)**	**23**	**476**	**(581)**
USD	**49**	**(49)**	**(118)**	**144**
31 December 2018				
GBP	(508)	508	473	(578)
USD	(193)	193	(113)	138

20 Financial instruments (continued)

(c) Liquidity risk

Liquidity is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and adverse conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by regularly monitoring cash flow projections and rolling forecasts of expected cash flows against actual cash flows. The nature of the Group's exploration and appraisal activities can result in significant differences between expected and actual cash flows. Consequently, a conservative approach to cash forecasting is taken and appropriate contingency planning is put in place to ensure that the Group can discharge its financial obligations as they fall due.

The contractual maturities of financial liabilities as at 31 December 2019 and 2018 are within six months or less and therefore are the same as the carrying amounts.

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a cash deposit is not recovered. Group deposits are placed only with banks with appropriate credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. Receivables, which generally have 30 day terms, are initially recorded at fair value and, at subsequent reporting dates, amortised cost. An assessment of whether an asset is impaired is made at least at each reporting date. The maximum exposure to credit risk at 31 December was:

	2019 €'000	2018 €'000
Cash and cash equivalents	710	7,617
VAT recoverable	53	59
Other receivables	345	405
Maximum exposure to credit risk	**1,108**	8,081

(e) Fair values versus carrying amounts

Due to the short term nature of all of the Group's financial assets and liabilities at 31 December 2019, the fair value equals the carrying amount in each case.

(f) Capital management

The Group has historically funded its activities through a combination of share rights issues and placing and bank borrowings. The Group's capital structure is kept under review by the board and it is committed to capital discipline and continues to maintain flexibility for future growth, both organic and through acquisitions. The board considers capital to comprise shareholders' equity and long term borrowings and endeavours to ensure an appropriate mix of equity and debt is maintained.

21 Commitments and contingencies

(a) Exploration and evaluation activities

The Group has capital commitments of approximately €0.6 million in respect of its share of costs of exploration and evaluation activities to be incurred in 2020.

(b) Leases

Total commitments under non-cancellable lease rentals, all of which relate to property, are as follows:

	2019 €'000	2018 €'000
Payable:		
Within one year	86	197
Between two and five years	9	54
Total operating lease commitments	**95**	251

(c) Contingencies

From time to time the Group is involved in claims and legal actions which arise in the normal course of business. There are currently no ongoing claims or legal actions.

22 Related party transactions

Mr. Tony O'Reilly, Chief Executive, held a service contract, effective from 1 April 2017, with the Company in respect of services outside of the Republic of Ireland through a company beneficially owned by him, Kildare Consulting Limited. This contract was renewed on 1 April 2019. The renewed contract was a for a two-year duration and was subject to a one-year notice period. On 6 December 2019, this contract was terminated by the Company. The emoluments and fees payable under the contract for the year ended 31 December 2019 amounted to €865,950, including a settlement payment of €448,500 for the early termination of his contract.

23 Group transparency disclosures

In accordance with Chapter 10 of the relevant EU Accounting Directive (2013/34/EU), companies operating in the extractive sector are required to disclose payments made to national Governments.

The payments disclosed are based on where the obligation arose which, in the case of the Group, is Ireland. Payments are disclosed by license where the aggregate of the payment in the year exceeds €100,000; otherwise they are combined into a corporate level payment which consolidates individual payments of less than €100,000.

2019

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Corporate**		90	153	–	243
Total Ireland		**90**	**153**	**–**	**243**

2018

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Barryroe	SEL 1/11	182	–	–	182
Diablo	FEL 2/14	16	24	98	138
Newgrange	FEL 6/14	56	70	–	126
Corporate**		63	137	–	200
Total Ireland		**317**	**231**	**98**	**646**

** Corporate is the consolidated total of all Irish licences where the total of each licence payment in the year is less than €100,000.

All of the payments disclosed have been made to National Governments, covering both direct and indirect payments.

The payments type covered by this disclosure are

a) Licence fees

b) PIP fees

c) CRU fees

Licence fees

Licence fees cover the costs associated with holding licences. These cover rental fees, assignment fees, Expand Offshore Group Fees, Prospective Licence and any application fees.

PIP (Petroleum Infrastructure Programme) fees

The PIP (Petroleum Infrastructure Programme) was set up by the Petroleum Affairs Division in 1997 as a private company.

PIP fees are paid on condition of granting a Frontier Exploration Licence.

The overall aim of PIP is to promote hydrocarbon exploration and development in Ireland and it undertakes research programmes around Ireland. The research under the programme goes beyond normal licence specific work and is designed not to duplicate work carried out by other Groups or commercial entities.

John O'Sullivan, a former director of the Company, was a director of PIPCO RSG CLG up to 28 May 2019.

CRU (Commission for Regulation of utilities)

CRU is Ireland's independent energy and water regulator with responsibilities for economic, customer protection and safety.

The CRU reviews all exploration, appraisal and production activities in Ireland to ensure that they meet the highest international safety standards.

24 Post balance sheet events

In April 2020, the Company signed an exclusivity agreement with SpotOn Energy Limited ('SpotOn') covering the period to 31 October 2020. The objective of the agreement is to allow the Group and SpotOn to agree an appraisal work program for the development of the Barryroe field and to develop commercial terms with the aim of concluding a binding agreement within that period.

In April 2020, the Company announced that it raised c. €3m (c. $3.3m) (before expenses) in a placing and subscription of securities of the Company. Each of these securities comprised one of Ordinary share, one 3p warrant and one 9p warrant. SpotOn Energy invested £300,000 through the subscription agreement and has committed to investing a further £200,000 within 6 weeks of the placing announcement at the then market price by way of a further share subscription. All resolutions associated with the equity raising were passed at the Extraordinary General Meeting held on 5 May 2020.

On 28 May 2020, the Company received the £200,000 from SpotOn Energy and will issue the new share based on the closing price of 21 May 2020 of £0.0327.

The Group is monitoring the impact of Covid-19 on its business and notes that it has had a negative impact on global demand due to the lockdowns which have been implemented around the world. While the Group does not currently produce oil or gas, the pandemic could have an impact on the timelines for working through our projects. The potential related impacts are considered non-adjusting events for these financial statements. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

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.

25 Approval of financial statements

The financial statements were approved by the board of directors on 2 June 2020.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 €'000	2018 €'000
Fixed assets			
Oil and gas interests	2	–	20,050
Tangible assets	3	**11**	28
Financial assets	4	**2**	2
Total non-current assets		**13**	20,080
Current assets			
Debtors	5	**52,786**	55,438
Cash at bank and in hand		**699**	7,608
Total current assets		**53,485**	63,046
Creditors: amounts falling due within one year	6	**(1,250)**	(4,593)
Net current assets		**52,235**	58,453
Total assets less current liabilities		**52,248**	78,533
Provision for liabilities	7	**(4,779)**	(5,973)
Net assets		**47,469**	72,560
Capital and reserves			
Called up share capital	8	**71,512**	71,452
Share premium	8	**251,300**	247,918
Undenominated capital	8	**623**	623
Share based payment reserve	8	**642**	1,745
Profit and loss account	8	**(276,608)**	(249,178)
Shareholders' funds – equity		**47,469**	72,560

On behalf of the board

Pat Plunkett
Chairman

Alan Linn
Chief Executive

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital €'000	**Undenominated capital €'000**	**Share premium €'000**	**Share based payment reserve €'000**	**Profit and loss account €'000**	**Total €'000**
At 1 January 2019	71,452	623	247,918	1,745	(249,178)	72,560
Loss for financial year	–	–	–	–	(28,144)	(28,144)
Total comprehensive loss	–	–	–	–	(28,144)	(28,144)
Transactions with owners, recorded directly in equity						
Share based payment expense	–	–	–	40	–	40
Share options lapsed	–	–	–	(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**	**642**	**(276,608)**	**47,469**

	Called up share capital €'000	Undenominated capital €'000	Share premium €'000	Share based payment reserve €'000	Profit and loss account €'000	Total €'000
At 1 January 2018	71,452	623	247,918	1,502	(238,352)	83,143
Loss for financial year	–	–	–	–	(10,826)	(10,826)
Total comprehensive loss	–	–	–	–	(10,826)	(10,826)
Transactions with owners, recorded directly in equity						
Share based payment expense	–	–	–	243	–	243
Transactions with owners, recorded directly in equity	–	–	–	243	–	243
At 31 December 2018	**71,452**	**623**	**247,918**	**1,745**	**(249,178)**	**72,560**

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). There have been no material departures from the Standards

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of ultimate holding undertaking include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.

These financial statements are presented in Euro, being the functional currency of the Company. All financial information presented in Euro has been rounded to the nearest thousand, except where otherwise stated.

The accounting policies applied in the Company only financial statements are consistent with the Group accounting policies as set out on pages 24 to 41.

Going concern

Refer to basis of preparation of financial statements information on the going concern on the Group and Company on page 24.

Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The details and critical judgements are disclosed in the Group accounting policies.

2 Oil and gas interests – exploration expenditure

	Ireland 2019 €'000
Cost	
At 1 January 2019	20,050
Exploration and appraisal expenditure	3,619
Administration expenses capitalised	110
Impairment charge	(23,779)
At 31 December 2019	**–**

The directors have assessed the current activities ongoing within exploration and evaluation assets and have determined that an impairment charge of €23.8 million *(2018: €0.7 million)* is required at 31 December 2019 against the West of Ireland licences (Dunquin, Avalon and Newgrange). Following this assessment and impairment of certain assets, the directors have reassessed the probable decommissioning period which resulted in a fair value credit to the abandonment provision of €2.2m (see note 7).

3 Tangible fixed assets

	Furniture and equipment €'000
Cost	
At 1 January 2019	667
Additions in year	10
Disposal	(590)
At 31 December 2019	**87**
Depreciation	
At 1 January 2019	639
Charge for year	16
Disposal	(579)
At 31 December 2019	**76**
Net book value	
At 31 December 2019	**11**
At 31 December 2018	28

4 Financial fixed assets

	2019 €'000
Investments in subsidiaries at start and end of year	**2**

At 31 December 2019, the Company had the following principal subsidiaries, all of which are wholly owned:

Name	Registered office/ Country of incorporation	Activity	Interest in Ordinary share capital
Providence Resources UK Limited	5th Floor, 6 St. Andrews Street, London, EC4A 3AE, UK	Dormant	100%
Providence Resources (NI) Limited	C/O Maneely McCann, Aisling House, 50 Stranmillis Embankment, Belfast, BT9 5FL	Dormant	100%
Providence Resources (International) Limited	Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands	Holding company	100%
P.R. UK Holdings Limited	5 Jubilee Place, London SW3 3TD, UK	Holding company	100%
Providence Renewables DAC	Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7	Holding company	100%
Providence Resources (USA) DAC	Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7	Holding company	100%
Exola DAC	Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7	Oil and Gas exploration	100%
Chrysaor E&P Ireland DAC	Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7	Oil and Gas exploration	100%

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

5 Debtors

	2019 €'000	2018 €'000
VAT	**50**	47
Prepayments	**228**	163
Other receivables	**–**	5
Amounts due from joint operation partners	**–**	19
Amounts due from subsidiaries	**52,508**	55,204
	52,786	55,438

All of the above amounts fall due within one year.

Amounts due from subsidiaries are interest free and fall due on demand. These amounts are due from Exola DAC.

The recoverability of amounts due from Exola DAC is largely dependent on the future cash flows generated from the exploration and evaluation assets owned by that entity. A provision for receivables is made where there is objective evidence that the Company will not be able to collect all amounts due.

6 Creditors: amounts falling due within one year

	2019 €'000	2018 €'000
Trade creditors	**400**	201
Accruals	**153**	448
Amounts due to joint operating partners	**697**	–
Amounts owed to subsidiaries	**–**	3,944
	1,250	4,593

Amounts owed to subsidiaries are interest free and fall due on demand.

7 Provision for liabilities – Decommissioning

	2019 €'000	2018 €'000
At 1 January	**5,973**	5,241
Unwind of discount	**434**	200
(Decrease)/increase in abandonment provision	**(2,218)**	262
Foreign exchange differences	**590**	270
Balance at 31 December	**4,779**	5,973

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be 2025. During the year, the Group reassessed the estimated decommissioning period and this has resulted in a fair value adjustment of €2.2m. The provision for decommissioning is reviewed annually. The provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 10% *(2018: 10%)* per annum, reflecting the associated risk profile.

8 Share capital

See note 14 on page 35 to the Group financial statements.

9 Commitments

Exploration and evaluation activities

The Company has capital commitments of approximately €0.1 million to contribute to its share of costs of exploration and evaluation activities during 2020.

Leases

Operating leases annual commitments exist under non-cancellable property leases expiring as follows:

	2019 €'000	2018 €'000
Within one year	**68**	161

10 Statutory information

Under the provisions of Section 304 of the Companies Act 2014, the Company is not presenting a separate profit and loss account. A loss of €28,144,000 *(2018: loss of €10,826,000)* for the financial year ended 31 December 2019 has been dealt with in the separate profit and loss account of the Company.

	2019 €'000	2018 €'000
Auditor's remuneration	**54**	54

During the year the Company employed 11 *(2018: 14 people)* and incurred payroll costs of €1.4 million *(2018: €1.9 million)*, which includes social welfare costs of €0.2m *(2018: €0.2m)*.

In addition, the Company incurred a restructuring charge of €0.7m during 2019 *(2018: €Nil)*.

The Company contributes to an externally administered defined contribution retirement benefit scheme to satisfy the retirement benefit arrangements in respect of certain management personnel. The retirement benefit cost charged for the year was €0.2m *(2018: €0.2m)*.

The Company capitalised €0.25m *(2018: €0.69m)* of the €1.4m gross payroll cost within the Company's carrying value of its exploration and evaluation assets.

11 Related party transactions

Mr. Tony O'Reilly, Chief Executive, held a service contract, effective from 1 April 2017, with the Company in respect of services outside of the Republic of Ireland through a company beneficially owned by him, Kildare Consulting Limited. This contract was renewed on 1 April 2019. The renewed contract was a for a two-year duration and was subject to a one-year notice period. On 6 December 2019, this contract was terminated by the Company. The emoluments and fees payable under the contract for the year ended 31 December 2019 amounted to €865,950, including a settlement payment of €448,500 for the early termination of his contract.

12 Company transparency disclosures

In accordance with Chapter 10 of EU Accounting Directive (2013/34/EU), companies operating in the extractive sector are required to disclose payments made to National Governments.

The payments disclosed are based on where the obligation arose which in the case of the Company is Ireland. Payments are disclosed by license where the aggregate of the payment in the year exceeds €100,000; otherwise they are combined into a corporate level payment which consolidates individual payments of less than €100,000.

2019

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Corporate**		65	153	–	218
Total Ireland		**65**	**153**	**–**	**218**

2018

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Diablo	FEL 2/14	16	24	98	138
Newgrange	FEL 6/14	56	70	–	126
Corporate**		56	91	–	147
Total Ireland		**128**	**185**	**98**	**411**

** Corporate is the consolidated total of Irish licences where the total of each licence payment in the year is less than €100,000.

All of the payments disclosed in accordance with the Directive have been made to the Irish Government and include both direct and indirect payments.

The payments type covered by this disclosure are

(a) Licence fees

(b) PIP fees

(c) CRU fees

12 Company transparency disclosures (continued)

Licence fees

Licence fees cover the costs associated with holding our licences. These cover rental fees, assignment fees, Expand Offshore Group Fees, Prospective Licence and any application fees.

PIP (Petroleum Infrastructure Programme) fees

The PIP (Petroleum Infrastructure Programme) was set up by the Petroleum Affairs Division in 1997 as a private company.

PIP fees are paid as part of the granting of a Frontier Exploration Licence. The overall aim of PIP is to promote hydrocarbon exploration and development in Ireland, and it undertakes research programmes around Ireland.

The research under the programme goes beyond normal licence specific work and is designed not to duplicate work carried out by other Groups or commercial entities.

John O'Sullivan is former a director of the Company and was a director of PIPCO RSG CLG until 28 May 2019.

Commission for Regulation of utilities (CRU)

CRU is Ireland's independent energy and water regulator with responsibilities for economic, customer protection and safety.

The CRU reviews all exploration, appraisal and production activities in Ireland to ensure that they meet the highest international safety standards.

13 Post balance sheet events

See note 24 on page 41 to the Group notes, this same post balance sheet events note is relevant for both Group and Company.

14 Approval of financial statements

The financial statements were approved by the board of directors on 2 June 2020.

NOTICE OF ANNUAL GENERAL MEETING

COVID-19 – In light of current and anticipated public health guidelines related to COVID-19, and the importance of the health and safety of shareholders, staff and others, shareholders are asked to comply with certain unprecedented but urgent recommendations for the Annual General Meeting.

Shareholders are requested not to attend the Annual General Meeting in person and, instead, to avail of the proxy voting service (see Note 4 of this Notice of Annual General Meeting for instructions on how to use this service) and the following teleconferencing facilities:

Audience Event Link: https: https://globalmeet.webcasts.com/starthere.jsp?ei=1330812&tp_key=93c4242c84

Click on the link above to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device, so be sure to have headphones or your volume turned up. A full replay of the presentation will be available at the same link shortly after the conclusion of the live presentation (if applicable).

Audio Conference Details:

Please see the phone information with your dial in numbers and Passcode to access the webcast by phone.

Passcode:	247739
Ireland	+353 (0) 1 2465637
United Kingdom	+44 (0) 330 3369104

Notice is hereby given that the Annual General Meeting of Providence Resources P.l.c. will be held at the Clayton Hotel Leopardstown, Sandyford Business District, Central Park, D18 K2P1, Ireland, on 20 July 2020 at 11.00am for the purpose of considering, and if thought fit, passing the following Resolutions, of which Resolutions numbered (1) to (3) will be proposed as Ordinary Resolutions, and Resolutions numbered (4) and (5) will be proposed as Special Resolutions.

Ordinary Resolutions

(1) To receive and consider the Directors' Report and Financial Statements for the year ended 31 December 2019.

(2) To elect Mr. Alan Linn as a Director.

(3) To authorise the Directors to fix the remuneration of the Auditors.

Special Resolutions

(4) That the Directors be and they are hereby empowered pursuant to Section 1022 and Section 1023(3) of the Companies Act 2014 to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014) for cash as if the said Section 1022(1) of the Companies Act 2014 did not apply to any such allotment, such power being limited to:

a. the allotment of equity securities in connection with or pursuant to any offer of equity securities open for a period fixed by the Directors, by way of rights issue, open offer or otherwise (an "Offering") to the holders of ordinary shares and/or any other persons entitled to participate therein (including without limitation any holders of options under the Company's share option scheme(s) for the time being) in proportion (as nearly as may be) to their respective holdings of ordinary shares (or, as appropriate, the number of ordinary shares which such other persons are for the purposes of such Offering deemed to hold) on a record date fixed by the Directors (whether before or after the date of this meeting) and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in relation to fractional entitlements or otherwise howsoever;

b. pursuant to the terms of any scheme for Directors and/or employees etc. of the Company and/or its subsidiaries; and

c. otherwise than pursuant to sub-paragraphs (a) and (b) above, having in the case of the relevant shares (as defined by the said Section 1023 the allotment of equity securities up to a nominal aggregate amount equal to €83,539 (representing approximately 10% of the issued share capital of the Company as at the close of business on 2 June 2020),

provided in each case the power shall, unless revoked or renewed by special resolution or the articles of association of the Company, expire on the earlier of fifteen months from the date of passing this Resolution and the conclusion of the next annual general meeting of the Company unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or issued after such expiry and the Directors may allot equity securities (as defined by the said Section 1023) in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Dated 2 June 2020, by order of the Board, Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7, Republic of Ireland.

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

Notes:

Entitlement to attend and vote

1. Pursuant to Section 1105 of the Companies Act 2014 and Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996, entitlement to attend and vote at the AGM and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 p.m. on the day which is two days before the date of the AGM (or in the case of an adjournment as at 6.00 p.m. on the day which is two days before the date of the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Appointment of proxies

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy as an alternate to attend, speak, ask questions and vote instead of him/her/it and may appoint more than one proxy to attend on the same occasion in respect of shares held in different securities accounts. A member acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees and such intermediary may cast votes attaching to some of the shares differently from other shares held by it. The appointment of a proxy will not preclude a member from attending, speaking, asking questions and voting at the meeting or at any adjournment thereof should the member subsequently wish to do so. A proxy need not be a member of the Company. If you wish to appoint more than one proxy, please contact the Registrars of the Company, Computershare, by sending an email to clientservices@computershare.ie during normal business hours.
3. A Form of Proxy is enclosed with this Notice of Annual General Meeting. To be effective, the Form of Proxy duly completed and executed, together with any original power of attorney or other authority under which it is executed or a copy of such authority certified notarially or by a practicing solicitor in the Republic of Ireland, must be deposited by hand at the offices of the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland, or returned by post to Computershare Investor Services (Ireland) Ltd, PO Box 13030, Dublin 24, Ireland, in any case so as to be received no later than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof or (in the case of a poll taken otherwise than at or on the same day as the Annual General Meeting or adjourned Annual General Meeting) at least 48 hours before the taking of the poll at which it is to be used. Any alteration to the Form of Proxy must be initialed by the person who signs it.
4. In addition to Note 2 above, and subject to the Constitution of the Company, and provided it is received at least 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof or (in the case of a poll taken otherwise than at or on the same day as the Annual General Meeting or adjourned Annual General Meeting) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy may:
   - 4.1. be submitted by fax to +353 (0)1 447 5572, provided it is received in legible form; or
   - 4.2. be submitted electronically, via the internet by accessing the Company's Registrar's proxy voting website www.eproxyappointment.com, entering the Control Number, SRN and PIN all located on the Proxy Form. Shareholders will be required to have their Shareholder Reference Number ("SRN") as printed on the face of the accompanying Form of Proxy. Full details of the procedures, including voting instructions are given on the website; or
   - 4.3. be submitted through CREST in the case of CREST members, CREST sponsored members or CREST members who have appointed voting service providers. Submissions through CREST must be completed in accordance with the procedures specified in the CREST Manual and received by the Registrar (under CREST agent ID 3RA50). The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.
5. In the case of a corporation, the Form of Proxy must be either executed under its common seal, signed on its behalf by a duly authorised officer or attorney, or submitted in accordance with Note 3 above.

Voting rights and total number of issued shares in the Company

6. As a member, you have several ways of exercising your vote: (a) by attending the Annual General Meeting in person; (b) by appointing a proxy to vote on your behalf; or (c) by appointing a proxy via the CREST system if you hold your shares in CREST. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The total number of issued ordinary shares on the date of this Notice of Annual General Meeting is 835,397,852 ordinary shares. On a vote on a show of hands, every member present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every member shall have one vote for every share carrying rights of which he is the holder.
8. Where a poll is taken at an Annual General Meeting any member, present in person or by proxy, holding more than one share is not obliged to cast all his/her votes in the same way.
9. Ordinary resolutions are required to be passed by a simple majority of members voting in person or by proxy. Special resolutions are required to be passed by a majority of not less than 75% of votes cast by those who vote either in person or in proxy.
10. On any other business which may properly come before the Annual General Meeting, or any adjournment thereof, and whether procedural or substantive in nature (including without limitation any motion to amend a resolution or adjourn the meeting) not specified in this Notice of Annual General Meeting, the proxy will act at his/her discretion.

Other resolutions

11. The Annual General Meeting is being convened to consider the specific resolutions as incorporated in this Notice of Annual General Meeting. As a result, it is not proposed that any other resolution would be considered at the meeting.

COVID-19

12. The Company will take all appropriate safety measures as the Directors may in their absolute discretion determine from time to time, and in any individual case, to be necessary or desirable at, during or prior to the AGM to ensure the safety of any attendees and others involved with it. Such measures may include, without limitation, the restriction of the number of attendees, and health and/or compliance related checks and requirements.

GLOSSARY OF TERMS

"$"** or **"US$" or **"U.S. Dollar"** United States Dollars, the lawful currency of the United States of America

"£" or **"Pounds Sterling"** Pounds Sterling, the lawful currency of the United Kingdom

"€" or **"Euro"** Euro, the lawful currency of Ireland

"°C" Degree Celsius

"°F" Degree Fahrenheit

"1C" Low estimate scenario of contingent resource

"2C" Best estimate scenario of contingent resource

"2D" Two dimensional

"3C" High estimate scenario of contingent resource

"3D" Three dimensional

"AA" Appropriate Assessment

"AAPG" American Association of Petroleum Geologists

"AGM" The Annual General Meeting of the Company to be held at the Clayton Hotel Leopardstown, D18 K2P1, Ireland on 20 July 2020 at 11.00am, including any adjournment thereof, and notice of which is set out herein

"AIM Rules" The AIM rules for Companies published by the London Stock Exchange in May 2014 (as amended) governing the admission to and the operation of AIM

"AIM" Alternative Investment Market operated by the London Stock Exchange

"AMLR" Atlantic Ireland Licencing Round

"APEC" APEC Energy Enterprise Limited

"API" Oil Gravity in America Petroleum Institute (API) units

"Atlantic" Atlantic Petroleum (Ireland) Limited

"AVO" Amplitude versus Offset

"B" Barrels of oil, 1 barrel = 42 U.S. gallons = 0.159 m^3

"BB" Billion barrels

"BBL" Billion barrels of petroleum liquids; includes crude oil, condensate, and natural gas liquids

"BBO" Billion barrels of crude oil

"BBOE" Billion barrels of oil equivalent

"BCF" Billion cubic feet of gas

"BML" Below mud line

"BO" Barrels of crude oil

"Board" The Board of Directors of Providence Resources P.l.c.

"BOE" Barrels of oil equivalent (6,000 cubic feet of gas equals 1 barrel of oil equivalent)

"BOEPD" Barrels of oil equivalent per day

"BOPD" Barrels of oil per day

"Brent" The name attributed to the benchmark crude oil from the Brent Field in the UK North Sea

"BSCF" Billion of standard cubic feet of gas

"Cairn" Capricorn Energy Limited which is a wholly owned subsidiary of Cairn Energy PLC

"CAPEX" Capital expenditure

"CCS" Carbon Capture and Sequestration is the process of capturing carbon dioxide, transporting it to a storage site, and depositing it in an underground geological formation

"Cenkos" Cenkos Securities Plc

"CEPIL" Chrysaor Exploration and Production Ireland Limited

"CNOOC" CNOOC Petroleum Europe Limited, formerly Nexen Petroleum UK Limited

"CODM" Chief operating decision maker

"Company" Providence Resources P.l.c.

"Contingent Resources" Resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles

"CPR" Competent Person's Report

"Cretaceous" Period in Mesozoic era, 154 – 66 million years ago

"CRU" The Commission for Regulation of Utilities, formerly the Commission for Energy Regulation

"DAC" Designated Activity Company

"DCCAE" Department of Communications, Climate Action and Environment

"Discovery" An accumulation of hydrocarbons which has been proven to exist by physical penetration through the horizon containing such hydrocarbons

"E&E" Exploration and Evaluation "E&P" Exploration and Production

"EIA" Environmental Impact Assessment or Energy Information Administration in the U.S.

"Eni" Eni Ireland BV

"EPA" Environmental Protection Agency

"EPS" Earnings per share

"EU IFRS" International Financial Reporting Standards as adopted by the EU

"Euronext Dublin" part of Euronext, the pan-European exchange operator

"Euronext Growth" pan-European market for small- and mid-sized companies (SMEs) operated by the Euronext

"Exola DAC" or **"Exola"** A wholly owned subsidiary of the Company

"Facility" Shall have the meaning ascribed thereto in the Chairman and Chief Executive's Statement in this document

"Farm-out" Means the sale of an interest from the owner ("farminor") to a party ("the farminee") in return for a consideration, which includes the assumption by the farminee of a proportion of the benefits, liabilities and obligations of that licence. Industry practice allows the consideration to take many forms, some of the most common being cash or the payment of some or all of the farminor's share of future costs on the licence, or the granting of an overriding royalty interest

"FCTR" Foreign currency translation reserve

"FEL" A petroleum exploration licence vests in the holder the exclusive right of carrying out exploration for petroleum in a specific licensed offshore area. A Frontier Exploration Licence is issued in respect of an area with special difficulties related to physical environment, geology or technology – where such an area is specified and announced by the Minister for DCCAE as a 'Frontier Area'. This licence type is valid for a period of not less than 12 years and comprises a maximum of 4 phases.

"FID" Final Investment Decision

"FOA" Farm-out Agreement

GLOSSARY OF TERMS
(CONTINUED)

"Foreshore" The land and seabed between the high water of ordinary or medium tides (shown High Water Mark on Ordnance Survey maps) and the twelve-mile limit (12 nautical miles, 22.24 km)

"ft" Foot or feet

"Gardline" A wholly owned subsidiary of Royal Boskalis Westminster N.V.

"GIIP" gas initially in place

"GIS" Geographic information system

"Group" The Company and its subsidiaries

"IAS" International Accounting Standards

"IOOA" Irish Offshore Operators' Association is the representative organisation for the Irish offshore oil and gas industry

"JOA" Joint operating agreement which governs the relationship between participants in a Petroleum Lease or Licence and sets out the terms and conditions under which these participants shall operate

"Jurassic" Period in Mesozoic era, 201 – 145 million years ago

"JV" Joint Venture

"KEL" PSE Kinsale Energy Limited

"km" Kilometre or kilometres

"Lansdowne" Lansdowne Celtic Sea Limited

"lb" Pound or pounds

"LIBOR" The London Inter-bank Offered Rate – The rate at which an individual Contributor Panel bank could borrow funds, were it to do so by asking for and then accepting inter-bank offers in reasonable market size, just prior to 11.00 London time.

"LO" A Licensing Option gives the Holder the first right to an Exploration Licence over all or part of the area covered by the Option. It gives the holder an exclusive right to apply for an exploration licence (a) for defined period; (b) in return for undertaking an agreed work programme

"LSE" London Stock Exchange plc

"LTIP" Long-term incentive plan

"LU" A Lease Undertaking gives the Holder the right to a Petroleum Lease over that part of the area covered by the Undertaking

"m" Meter or meters

"M&A" Merger and Acquisition

"MDBRT" Measure depth below rotary table

"Mesozoic" Era in Phanerozoic eon, 252 – 66 million years ago

"MFDevCo" Marginal Field Development Company

"MM" Million

"MMB" Million barrels

"MMBC" Million barrels of condensate

"MMBL" Million barrels of petroleum liquids; includes crude oil, condensate, and natural gas liquids

"MMBO" Million barrels of crude oil

"MMBOE" Million barrels of oil equivalent

"MMCF" Million cubic feet

"No." Number

"Operator" The company which under a Petroleum Lease, licence or any successor authorisation has responsibility for the operation of the licence

"OPEX" Operating expenditure

"Order" Shall have the meaning ascribed thereto in the Chairman and Chief Executive's Statement in this document

"P.l.c." A public limited company

"PAD" Petroleum Affairs Division

"Palaeocene" Epoch in Paleogene period, 66 – 56 million years ago

"Petronas" Petroliam Nasional Berhad, owner of PSE Seven Heads Limited and PSE Kinsale Energy Limited

"PIPCO RSG CLG" Petroleum Infrastructure Program, Rockall Study Group, Company Limited by Guarantee

"PL" A Petroleum Lease vests in the Lessee the exclusive right to produce petroleum from the leased areas.

"P_{mean}" The P_{mean} value is the average of the numbers

"Prospective Resources" Quantities of petroleum which are estimated to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled

"PSDM" Pre-Stack Depth Migration

"Purbeck" The Purbeck Group is a Late Upper Jurassic to Early Lower Cretaceous lithostratigraphic group (a sequence of rock strata)

"REC" Recoverable

"Repsol" Repsol Exploracion Irlanda, S.A.

"Schlumberger" Schlumberger Limited

"Seismic" A geophysical survey based on the reflection of sound signals. A sound signal from a source transmitted through the earth and reflected from the layers of sedimentary rocks is recorded. The results enable detailed maps of the subsurface layers to be made

"SEL" A petroleum exploration licence vests in the holder the exclusive right of carrying out exploration for petroleum in a specific licensed offshore area. A Standard Exploration Licence is issued for a period of 6 years in respect of an area with water depths of up to 200 metres.

"Sosina" Sosina Exploration Limited

"SPE" Society of Petroleum Engineers

"spud" Initial penetration at commencement of drilling operations

"sq." Square

"STOIIP" Stock tank oil initially in place

"TCF" Trillion cubic feet

"Total" Total E&P Ireland BV

"Triassic" Period in Mesozoic era, 252 – 201 million years ago

"Wealden" The Wealden Group is a Lower Cretaceous lithostratigraphic group (a sequence of rock strata)

"Working Interest" or **"WI"** The interest in oil and gas production that bears its share of the costs of exploration, development and operation of the property and of a proportionate share of royalties and any other similar burdens

CORPORATE INFORMATION

Board of Directors

Pat Plunkett
(Non-Executive Chairman), appointed 2016[1,2,3,4]

Alan Linn
(Chief Executive), appointed 2020

Dr Angus McCoss
(Non-Executive Director), appointed 2017[1,2,3,4]

[1] Non-Executive

[2] Member Audit Committee

[3] Member Remuneration Committee

[4] Member Nomination Committee

Secretary and Registered Office

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Irish Stockbrokers

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Ireland

UK Stockbrokers

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United Kingdom

Principal Bankers

Allied Irish Banks PLC

Auditors

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Chartered Accountants and Registered Auditors
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Dublin
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Ireland

Financial PR

Murray Consultants Dublin
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