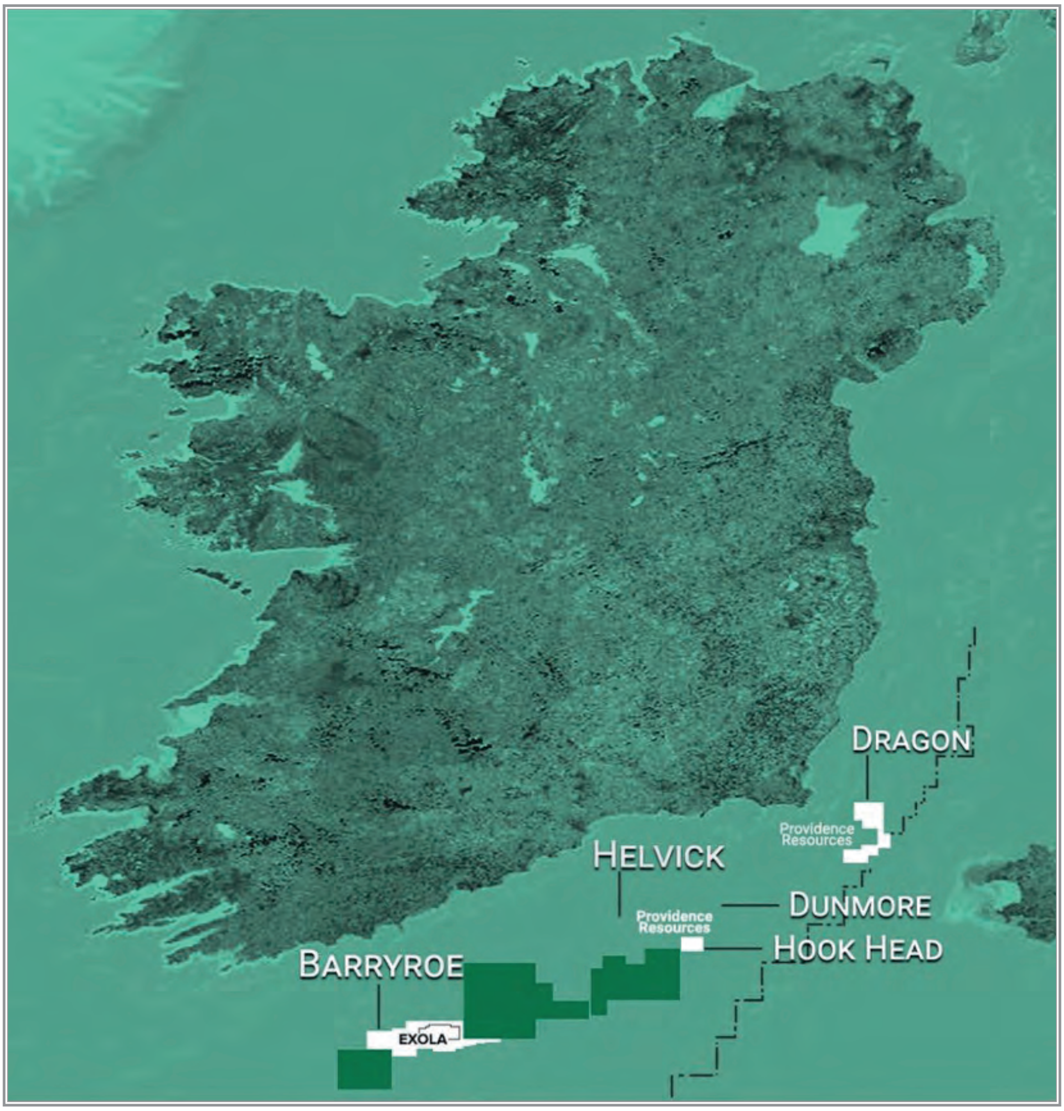
Annual Report
for the year ended 31 December 2020

Stock Codes:
LSE AIM: PVR
Euronext Growth: PZQA



WELCOME TO THE PROVIDENCE RESOURCES P.L.C.
ANNUAL REPORT 2020

CONTENTS

OIL AND GAS APPRAISAL AND DEVELOPMENT

Providence – set to play an important role in Ireland's energy transition

Providence Resources P.l.c. ("Providence" or the "Company") is an Irish based company progressing a portfolio of appraisal and development energy transition assets located offshore Ireland.

The Company has a long history offshore Ireland and its board and management have extensive experience in the energy sector having worked closely with and for numerous major companies around the world. Providence's shares are quoted on the AIM in London and the ESM in Dublin.

Strategy – to create shareholder value by delivering Barryroe as a key energy transition asset

Providence's core strategy is to progress the phased commercial development of the Barryroe Oil and Gas Field. A phased development approach is expected to maximise economic returns by delivering low cost cash flow and progressively converting established resources to reserves.

Fully developed, the Barryroe field can become a processing hub, similar to several large field developments in the North Sea and encourage development of several discovered fields within Providence's existing licenses in the North Celtic Sea.

Providence is assessing the potential to utilise depleted gas fields, close to Barryroe which have CO2 storage potential, to reduce the environmental impact of the development and, with government support and encouragement, deliver an overall carbon neutral hydrocarbon field development.

Providence will deliver on this strategy by:

Progressing the phased appraisal and development of the Barryroe oil and gas field, managing development capex and risk to produce early cashflow.

Transforming Barryroe 2C resources into 2P reserves and maintaining a balanced portfolio of commercially attractive licenses with Irish focus.

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

2020 OPERATIONAL HIGHLIGHTS

2020 Operations

Appraisal/ Development Projects

- **Barryroe, North Celtic Sea (SEL 1/11)**
  - The Company entered into an exclusivity agreement to farmout an interest in Barryroe with SpotOn Energy in return for project development funding. The conditional farmout was signed in November 2020 and subsequently terminated in April 2021.
  - Providence is progressing field appraisal and an Early Development Scheme (EDS) as operator and project development manager.
  - The K Site survey was approved by the Government in January 2021 and is scheduled to proceed during Q3 2021.

Exploration Prospects

- **Dunquin South, Southern Porcupine (FEL 3/04)**
  - Providence has relinquished this license with an effective date of 31 July 2020.
  - The relinquishment documentation is in process with the regulator.
- **Avalon, Southern Porcupine (FEL 2/19)**
  - Providence has relinquished this license with an effective date of 30 June 2020.
  - The relinquishment documentation is in process with the regulator.

Other License Activity

- **Dragon, St. George's Channel (SEL 1/07)**
  - Under discussion with the regulatory.
- **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)**
  - This license expired during the period.

2020 Financial Highlights

- Operating loss for the period of €2.440 million versus €25.936 million in 2019.
- Loss for the year €10.358 million versus €26.853 million in 2019.
- Loss per share of 1.31 cents versus 4.39 cents in 2019.
- At 31 December 2020, total cash and cash equivalents were €2.110 million versus €0.710 million in 2019.
- The Company has no debt as at 31 December 2020.
- In May 2020, the company raised c. €3.0 million (gross proceeds) through the issue of ordinary shares which comprised of one ordinary share, one £0.03 warrant which expired on 6 May 2021 and one £0.09 warrant which expires on 6 May 2022. The total proceeds raised in 2020, by the equity raise and conversion of warrants was c. €4.8 million gross.
  - The total issued and voting share capital comprises 974,864,403 ordinary shares of €0.001 each as at 17 June 2020.

Post Year End Progress

- **Barryroe, North Celtic Sea (SEL 1/11)**
  - A revised Lease Undertaking work programme was submitted to the government in April 2021 as required by the regulatory authority.
  - In April 2021, the Company terminated its farmout agreement with SpotOn Energy and took direct control of the project appraisal and development programmes.

CHAIRMAN'S REMARKS

Dear Shareholder,

I am pleased to present the 2020 Annual Report and to bring you up to date on the activities of the Company during the year and in the first six months of 2021.

2020 was a very challenging year for the oil and gas industry as the Covid-19 pandemic led initially to a collapse in energy demand and commodity prices while restrictions on travel and personal interactions impacted on business development initiatives. In parallel, energy markets are in a period of rapid change and uncertainty as companies seek to revise their business models to manage the transition to a carbon neutral future.

Following a restructuring of the Providence business in 2019 and the implementation of a major cost reduction program, the Company appointed Alan Linn as CEO in January 2020 with a clear brief to refocus the Company's efforts on the successful appraisal of the Barryroe field.

Farm Out

Following a farm-out process early in 2020, which was very much limited by the worst of the Covid -19 impact, the Board entered into exclusive discussions with SpotOn Energy which resulted in a conditional farmout agreement being signed in November 2020. Despite having had the benefit of a period of exclusivity to complete asset due diligence and to negotiate commercial arrangements with funding parties, SpotOn Energy failed to fulfill the key farmout commitment to fully fund the project development with non-recourse financing. After providing SpotOn with full support in exploring all alternatives options, Providence terminated the agreement in April 2021.

Revised Strategy

Following a full review of the failed SpotOn farm-out, your Board concluded that there was a clear opportunity to take control of the project funding and management by progressing existing relationships with service providers and other funders to progress the development and funding of an Early Development Scheme at Barryroe. This approach would also allow Providence to progress the project as operator and to optimise overall project delivery. The Board and executive team are convinced that the project benefits for both the company and the local economy, combined with the potential to be carbon neutral, ensures that the project will receive government approvals and attract the funding support required to move the project efficiently through staged appraisal and development and into production.

Funding

In May 2020, the Company completed an equity placing and subscription raising EUR €3m (USD $3.3m) before costs to provide working capital for the business through to end April 2021. The Placing was actively supported by both existing and new investors and included a one for one warrant issue at £0.03, exercisable for 12 months and £0.09, exercisable for 24 months. The exercise period for the £0.03 warrants expired on 6 May 2021 and it was pleasing to note that 74.9% of the warrants were exercised by shareholders, providing working capital of ~USD$5.4 million in total over the exercise period.

In addition to supporting day to day working capital, recent funds raised will be deployed in the Barryroe project and used to progress appraisal and development planning, progressing the environmental impact assessments, a predrill site survey, anticipated Lease Undertaking Fees and an independent assessment of the expected oil recovery from the Early Development Scheme (EDS). The timely progression of these activities will furnish the supporting technical documentation required to underpin the project fundraising activities.

Governance

Providence is keen to build upon its existing governance performance and to continue to improve board experience and diversity. We are strengthening our Board at a crucial time for our business. Developing the Barryroe Discovery will require a multi-disciplinary team with experience in delivering major projects and investment.

Andrew Mackay joined the Board as a non-executive director in July 2020. Andrew has extensive experience in the upstream oil & gas business including both regulatory and drilling technical and leadership roles. Andrew's experience is being put to good use in supporting the board and executive team in assessing and finalising project development plans, and in ensuring rigorous risk management is built into our overall development process.

James Menton joined the Board in May 2021 as Senior Independent Non-Executive Director. James is a highly experienced advisor to some of Ireland and the world's leading companies over two decades in professional advisory services as a partner with KPMG and Andersen. He is an experienced Chair and has led significant stakeholder engagement with Irish Government State agencies, leading finance providers and the investment community.

Closing thanks

I want to thank all our shareholders for their continuing support, particularly considering our recent decision to terminate the SpotOn Farmout agreement, and to progress the field appraisal and development programme as operator and project manager. A number of our key shareholders have invested considerable time and effort in understanding the issues which need to be progressed as we move forward with the field development programme, and have provided invaluable advice as we seek to transition the business from a small exploration company to a fully-fledged development and production business of scale. Your contribution is fully appreciated by the board and executive team.

Pat Plunkett
Chairman

C.E.O. – OPERATIONS REVIEW

Recent events

I joined the company in January 2020 with a mandate to focus primarily upon the appraisal and development of the Barryroe oil and gas field.

In March 2020, Providence entered a period of exclusivity with SpotOn Energy to explore a farmout opportunity with the potential to fully fund the development of the Barryroe Field.

SpotOn Energy, a privately owned Norwegian oil and gas company, entered the farmout process offering an attractive business model which involved partnering with an incentivised consortium of "world-class" service companies to deliver low cost, high-quality projects. The service providers offered to contribute to the project funding by partially deferring their costs in return for an agreed share of production revenues. SpotOn Energy also committed to provide non-recourse financing for the full project development capital requirement.

As noted, Providence successfully raised c. €3m (c.$3.3million before costs) in May 2020, to provide working capital to fund the farmout activity and complete a business re-structure.

Ultimately, the funding solutions proposed by SpotOn Energy could not be implemented because the funding banks required the asset owners to contribute equity within the project funding structure. It was clear from this point in the process that non-recourse debt financing, a cornerstone element of the farmout agreement of the proposed financing package, was not available. No acceptable alternative funding solution could be offered by SpotOn Energy to compensate for the change in terms, therefore Providence terminated the farmout agreement in April 2021.

Next Steps

The relationships with service providers, involved with the original project development plan, continue to have significant value for Providence. The original service companies have confirmed their continuing interest in working directly with Providence, as the field developer and operator, on broadly similar commercial terms. Providence is also in discussion with several Norwegian banks on raising a conventional bond to contribute a material portion of the Early Development Scheme capital requirement.

Cash flow from the field, given the high rates of productivity forecast from the development wells, produces attractive economic returns and subsequent development and appraisal activities are expected to be funded from production, reducing both reservoir development risk and the risk of over capitalising the full field development.

Barryroe

The Barryroe field is one of the largest undeveloped offshore fields in Europe, having originally been discovered by Exxon in 1973. The Basal Wealden reservoir is, by North Sea standards, relatively thin and extends over an area of ~271Km2, approximately twice the area of Dublin. At the time of its discovery Barryroe had to compete with a whole generation of giant field discoveries in the North Sea. Understandably focus was quickly directed into the North Sea oil boom of the 1970's.

Since its discovery almost 50 years ago the field has undergone several appraisal campaigns, with each one improving the technical understanding of the field and confirming the oil and gas potential and productivity. In tandem, the field development technologies available for both appraising and producing hydrocarbons have evolved significantly and today's development technologies are well suited to maximise the expected ultimate recovery (EUR) from the Barryroe oil and gas field.

A Barryroe phased field development plan was first proposed in 2011, concentrating upon developing the central eastern area of the field where considerable appraisal work had been completed and which benefitted from 3D seismic.

Following the success of the 48-24/10Z appraisal well in 2012 Providence's thinking switched to a "big" field development approach and sought to bring in international partners, with the financial capacity to fully appraise and develop the field in one step.

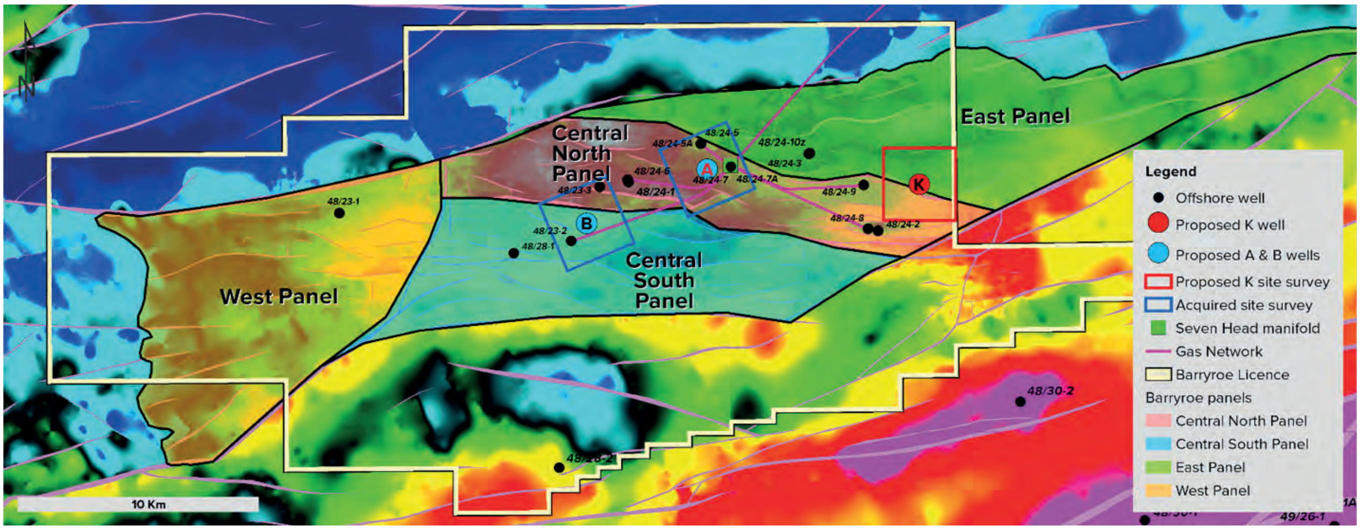
A technically proven approach

The scale of the Barryroe field is independently documented. The field is large; the reservoir demonstrably productive; the oil sweet, light, waxy and a good petrochemical feedstock. (311MBO of gross 2C resource based upon independent CPR competent persons reports) The field also holds a substantial volume of gas within the structural closure bounding the field (~0.5TCF recoverable gross, based upon Providence's recent remapping exercise).

The development route selected for Barryroe is a 'back to basics' approach designed to manage capital expenditure and use proven technologies to mitigate development risk. The approach has been tried and tested in many field developments around the world.

Drilling technologies have advanced significantly in recent years, and long reach directionally drilled horizontal (HDD) wells are now standard industry practice. A phased field development approach, utilizing extended reach drilling technology and developing the field in sections or panels provides the optimum route for generating early commercial production from Barryroe, resulting in a progressively self-funding development.

Additional benefits from this development approach include reducing the surface impact of the hydrocarbon development and providing customised completions capable of maximizing overall hydrocarbon recovery. The Barryroe development, whilst not challenging by world standards, does require completion precision to maximise access to the reservoir and deliver sustainably high production rates.



Barryroe Field – Main Reservoir Panels

During the testing of the 48-24/10Z appraisal well in 2012 the basal wealden reservoir flowed at rates of approximately 4,000BOE/D. Subsequent production modelling estimates that initial production rates of 12-15,000 BOPD can be achieved from a 200 metre horizontal production completion. The appraisal and early development scheme (EDS) production drilling programme is likely to include three horizontal production wells, and at least one water injection well, designed to support reservoir pressure from commencement of production.

Barryroe has historically been considered primarily as an oil field, with some gas.

The recently updated volumetric assessment of the Barryroe field, using improved seismic imaging, indicates that a considerable gas resource is present within the field and that the progressive development of both oil and gas resources is expected to improve project returns and significantly reduce the overall environmental impact of the development.

A project of value

Technically and commercially the Barryroe oil and gas field has come of age. The large fields in the North Sea are declining and smaller more challenging fields are being developed. The Barryroe field economics are competitive with the best of the UK development projects. The field is located in shallow water just 50km from shore, far enough offshore not to be visible from land and close enough to access local services in Cork.

Currently the oil production is expected to be lifted offshore from the Floating Production Storage Offshore (FPSO) vessel by shuttle tankers. The gas, when brought into production, is expected to be used to generate offshore power to both electrify the offshore processing facilities and supply electricity to the national grid by undersea cable. Commercial technology is available to introduce carbon capture offshore by sequestering the power generation exhaust gases which, with government support, will ensure that all the electricity produced from gas offshore is carbon neutral.

Following the termination of the SpotOn farmout agreement, Providence is building upon existing in-house project and technical competencies and building the team required to fully resource the project and development. The phased nature of the field appraisal and development this a pragmatic and practical decision for Providence. Taking direct control of the project and working with "blue chip" service providers to deliver the project will ensure the project development expenditure is carefully managed and the reservoir development optimized.

The Regulatory process

The Irish government introduced a ban on new oil exploration in September 2019 in response to a call for direct action to reduce the impacts of climate change.

The government has confirmed on many occasions that existing licenses are unaffected. Moreover, it has confirmed it will continue to progress existing licenses through their various stages, as the regulations intended. The constitutional property rights over existing licenses are expected to be further confirmed in the Climate Action Bill, which is expected to be finalised in legislation during 2021. The bill is designed to legislate for the introduction of various measures designed to transform Ireland into a low carbon economy by 2050.

In April 2019 the Barryroe Partners applied for a Lease Undertaking to the Irish authorities. The Lease Undertaking application did not progress as APEC was unable to comply with the terms of the farmout agreement which was ultimately terminated. A Lease Undertaking submission is made to the government when a field has been discovered and additional work is proposed to confirm commerciality. An updated Lease Undertaking was submitted on 9 April 2021, more than three months before the end of the exploration license, as required by the regulator. The submission includes an updated work programme focusing upon proving commerciality for the EDS area and, subject to government approval, a declaration of commerciality and the award of a Petroleum Lease, prior to commencement of early production from the eastern panel area of the Barryroe Field.

Taking care of the environment

The regulations governing the development of oil and gas fields in Ireland are rigorous and prescriptive. Providence personnel have experience in delivering offshore projects. The application processes for progressing the approvals, which must be in place before operational activity on the Barryroe field appraisal and development can begin in earnest, are already underway. Careful management of the environmental impacts associated with the project is a key deliverable for the company and the project team. Providence Resources, as operator of the Barryroe field, will ensure that all works are completed to a high standard and that local involvement in the development is encouraged, ensuring that local coastal communities are fully informed about the timing and nature of the planned works. Providence expects that the environmental impact assessment will be critical path for the overall operational schedule and a series of work streams, designed to expedite the detailed research and data gathering which underpin the environmental assessment process, have commenced.

Barryroe – A energy transition opportunity

A growing number of Investors are seeking ethically balanced investments, choosing to fund 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 potential environmental impact are more likely to attract investment.

The development of the Barryroe field aims to support both energy security and stability as Ireland progresses toward a carbon neutral economy by 2050.

Ireland imports 100% of its oil (~137KBOPD) and approximately 60% of its gas, (4.5Mtoe/annum) this is expected to increase to 100% of its gas by 2030, as the Corrib gas field declines. All future energy forecasts for Ireland highlight the continuing importance of oil and gas to the economy for many years to come. Natural Gas has been identified as the transition fuel of choice to support the development of renewable technology because it is clean, efficient, and available on demand. These qualities will have a continuing use in balancing the intermittent power supply provided by renewable energy sources and in supporting the development of the future technologies required to develop a continuous energy supply from renewables.

The environmental and financial costs of importing oil and gas are high, making indigenous oil and gas production beneficial for both the environment and the exchequer. The environmental impact of gas produced in Ireland is up to 13 times lower than gas which has been imported to meet Ireland's energy demand. The government revenues associated with local hydrocarbon production are material nationally, and local development will help ensure local communities' benefit through our commitment to preferentially access local resources.

The Barryroe field development is coming of age and supports Ireland's ambition to become a low carbon economy by 2050 by providing transition energy security and stability and helping ensure the country fully benefits from the development of local resources during energy transition, rather than depending upon environmentally inferior and expensive oil and gas imports.

Licence portfolio review

Relinquishing our portfolio of deep-water west of Ireland exploration licences during 2020/21 was an important cost reduction measure for Providence. The Company remains committed to exploration; primarily low risk, near-field, infrastructure led exploration. The Barryroe field has been drilled extensively over the years, but never into the Jurassic formation which lies beneath the proven Wealden reservoirs. The seismic signature is compelling and, as the field development progresses the formation needs to be drilled. A successful outcome could easily double the oil in place within the Barryroe field.

Providence has several existing licenses which contain discoveries within its North Celtic Sea portfolio. Standalone, it is challenging to make a compelling investment case for progressing the commercial development of these discovered fields. With the Barryroe development up and running, the economic case for developing the Helvick, Dunmore and Hook Head discoveries changes, encouraging their satellite development through the established Barryroe infrastructure.

Conclusion

Providence has taken back control of the Barryroe appraisal and development work programme and, with government support and continuing shareholder backing, we expect to deliver an exceptional project which will support Ireland's transition to a low carbon economy and produce significant benefits for the local economy through investment and employment at a time when the country is looking for economic certainty.

I want to thank each one of our shareholders for their continuing support. I firmly believe the Barryroe field has come of age and with government support can be fully developed over the next few years. Thank you for your patience and continuing support.

Alan Linn
Chief Executive

BOARD OF DIRECTORS

	Pat Plunkett	Alan Linn
	Non-Executive Chairman **Joined Board:** 10/2016	**Chief Executive** **Joined Board:** 01/2020
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.
Qualifications	Certified Accountant	Alan has a degree in Chemical Engineering from Strathclyde University and is a Fellow of the Institute of Chemical Engineers.
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.
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 (10.42% as at 15 June 2021), 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
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.
Length of time on Board	4.5 Years	1.5 Years
Committees	C R A N	
Key External Appointments	Executive Chairman of T5	

C Chairman R Remuneration A Audit N Nomination

Andrew Mackay

Non-Executive Director
Joined Board: 07/2020

Background
Andrew Mackay joined the Board as a Non-Executive Director in July 2020. Andrew has over 40 years' industry experience in the upstream oil and gas business working for service companies. He joined Halliburton in 1975. This was followed by two years working in Norway and then three working in Saudi Aramco in numerous drilling engineering roles. After returning to the UK, he worked with the government until 1990. Andrew then joined Ranger Oil before moving back to the UK Government in 1993 where he assisted in the development and implementation of safety case regulations. He joined Amoco in December 1993 as well operations division and continued until 1999 as he concentrated on NRG. Andrew founded NRG Group of Companies in 1988 and has served as CEO and Chairman since.

Qualifications
Higher National Diploma in Mechanical Engineering

Training/Upskilling
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
Yes

Skills
Andrew brings a strong technical understanding to the Board.

Length of time on Board
11 Months

Committees
R A N

Key External Appointments
Chairman of the NRG Group

James Menton

Senior Independent Non-Executive Director
Joined Board: 05/2021

James Menton was appointed Senior Independent Non-Executive Director in May 2021. James is a highly experienced advisor to some of Ireland and the world's leading companies over two decades in professional advisory services. He was a partner with KPMG Ireland, following its merger with Andersen in 2002 where he had been a partner since 1986. During this time, he provided advice to many of Ireland's listed oil and gas companies among other Plc clients.

Qualifications
B .Comm. (UCD) and Fellow of Chartered Accountants Ireland

Training/Upskilling
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
Yes

Skills
James brings a wealth of experience gained from his years working in professional advisory services.

Length of time on Board
1.5 Months

Committees
R A N

Key External Appointments
St. Vincent's Healthcare Group
Lisney
CWSI Security
St. Vincent's Holdings CLG

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 2020.

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 on pages 3 to 5.

During the year 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 2020

The consolidated income statement for the year ended 31 December 2020 and the consolidated statement of financial position at that date are set out on pages 20 and 22 respectively. The loss for the year amounted to €10.36 million and net assets at 31 December 2020 amounted to €49.39 million. No dividends are recommended by the directors.

Important events since the year end

On 1 March 2021, the Company announced that it extended the farm-out agreement with SpotOn Energy by an additional two months until 30 April 2021 to allow it complete its funding obligation as required under the farm-out agreement signed 30 November 2020.

On 22 April 2021, the Company terminated the farm-out agreement with SpotOn Energy as key financing requirements were not met and Providence Resources Plc will now lead the project.

A major shareholder (Pageant Holdings) has agreed to underwriting an equity placing up to $2.5m at £0.03p per share and one warrant of £0.03p which would raise a similar amount but underlines the support that the Company has from its shareholders to keep the project moving forward. The offer remains open until 30 June 2021.

By 6 May 2021, shareholders had exercised 86,061,529 of £0.03 warrants in the Company, raising another £2.6m ($3.6m) since the year end. The overall conversion rate of the £0.03 warrants was 74.97% which shows the strong support that the Company has received from its shareholders.

On 7 May 2021, James Menton was appointed Senior Independent Non-Executive Director to the Board. He is a highly experienced advisor to some of Ireland and the world's leading companies with over two decades in professional advisory services. He was a partner with KPMG Ireland, following its merger with Andersen in 2002 where he had been a partner since 1986. During this time, he provided advice to many of Ireland's listed oil and gas companies, among other Plc clients.

The Group is monitoring the ongoing 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.

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
Alan Linn (appointed 9 January 2020)
Andrew Mackay (appointed 3 July 2020)
James Menton (appointed 7 May 2021)
Angus McCoss (resigned 20 July 2020)

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 2020 or were subsequently appointed in the share capital of the Company, all of which were beneficially held, were as follows:

Directors	31 December 2019 Ordinary Shares of €0.001 each	31 December 2020 Ordinary Shares of €0.001 each	17 June 2021 Ordinary Shares of €0.001 each
Directors			
Pat Plunkett	1,750,000	2,750,000	3,750,000
Alan Linn	–	882,961	882,961
Andrew Mackay	–	13,833,333	13,833,333
James Menton	–	–	–
Company secretary			
Simon Brett	–	706,368	706,368

Details of outstanding options granted are as follows:

Directors	At 31 December 2019	At 31 December 2020	At 17 June 2021	Expiry Price	Date
Directors					
Pat Plunkett	1,750,000	1,750,000	1,750,000	0.17 (Euro)	June 2024
		9,500,000	9,500,000	0.03 (GBP)	April 2027
Alan Linn	–	15,000,000	15,000,000	0.04 (GBP)	January 2027
	–	4,500,000	4,500,000	0.03 (GBP)	April 2027
Andrew Mackay	–	–	4,500,000	0.038 (Euro)	May 2028
James Menton	–	–	4,500,000	0.038 (Euro)	May 2028
Secretary					
Simon Brett	275,000	275,000	275,000	0.142 (Euro)	August 2023
	–	5,000,000	5,000,000	0.03 (GBP)	April 2027

Based on the closing share price on 31 December 2020, 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 2020 was €0.055 and the range during the financial year was €0.012 to €0.10.

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 €97,486 (representing approximately 10% of the issued share capital of the Company as at the close of business on 17 June 2021), 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 Directors have prepared the financial statements on a going concern basis which assumes that Group and Company will continue in operational existence for at least twelve months from the date of the approval of these financial statements.

The Group had net assets of €49.4m, including cash on hand of €2.1m at 31 December 2020. It recognised a loss after taxation of €10.4 million. Consequently, the Directors have considered both current and future expenditure commitments and the options available to fund such commitments including equity funding and other financing options in the twelve month period from the date of approval of these financial statements.

In May 2020, the company raised c. €3.0m (gross proceeds) through the issue of ordinary shares which comprised of one ordinary share, one £0.03 warrant which expired on 6 May 2021 and one £0.09 warrant which expires on 6 May 2022. A total of 177,973,004 warrants of £0.03 and 177,973,004 warrants of £0.09 were issued. By the 6 May 2021, 133,350,343 warrants of £0.03 were converted into ordinary shares, raising a total of €4.5m (£4.0m); €2.9m (£2.6m) of which was raised in 2021 with the conversion of 86,061,529 warrants. This represents a total conversion ratio of 74.9% for the £0.03 warrants and demonstrates the ongoing support of shareholders for the company.

The Standard Exploration License (SEL1/11) for Barryroe expires in July 2021 and the Company has applied for a Lease Undertaking License, which is the follow-on permit. The Lease Undertaking License, financial capability assessment and work program are subject to government approval. The Directors anticipate that the lease undertaking will be granted as the Group has complied with all of the requirements for such approval. The Directors note that the Irish Government has stated that all existing licences will be allowed to run their full life cycle.

The Directors have carefully considered the current financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 30 June 2022. Based on their consideration of the Group's cash flow forecasts, including appropriate underlying assumptions ,and noting that the main risk factors in these cashflow forecasts are the granting of the Lease Undertaking on acceptable terms and conditions and the completion of an appropriate financing exercise during the period, the Directors are satisfied that the Group will have access to sufficient funds to cover its working capital and capital expenditure expected over this 12 month period.

The Directors have considered the matters set out above and determined that the requirement to secure additional funding in the next 12 months constitutes 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 will have adequate resources to continue in operational existence for the foreseeable future. The Directors anticipate that an appropriate financing exercise will be successfully completed and note that the Group and Company has continued to have the strong support of shareholders. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and 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
- 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.

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
- Reducing the carbon footprint associated with development activities
- Using Irish resources in project development and implementation
- Exploring the potential for Carbon Capture and Blue Hydrogen technology linked with 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.

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

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 three 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 pages 6 and 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 19 occasions during 2020. An agenda and supporting documentation is circulated in advance of each meeting.

The table below shows the attendance at Board and Committee meetings during 2020.

Director	Resignation date	Board meetings attended/ eligible	Audit Committee	Remuneration Committee	Nomination Committee
Total in year		**19**	**1**	**1**	**1**
Alan Linn	N/a	19/19	N/a	N/a	N/a
Pat Plunkett	N/a	19/19	1/1	1/1	1/1
Andrew Mackay	N/a	10/11	1/1	1/1	1/1
Angus McCoss	20 July 2020	9/9	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 pages 6 and 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.

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. 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.

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. James Menton. 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. Andrew Mackay 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 17 June 2021.

Pageant Holdings Limited	10.42%
M&G Investment Management Limited	9.94%
Kite Lake Capital Management (UK) LLC	9.75%
Merseyside Pension Fund	8.84%
R. O'Riordan and S. O'Driscoll	4.10%
Nick Furlong	3.22%
SpotOn Energy Limited	3.10%

Political donations

There were no political donations during the year (*2019: 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.

Pat Plunkett
Chairman

Alan Linn
Chief Executive

18 June 2021

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Company financial statements in accordance with FRS 101 *Reduced Disclosure Framework* and applicable law.

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 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 and profit or loss of the Group and Company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and 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 general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect 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
Chairman

Alan Linn
Chief Executive

18 June 2021

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 consolidated undertakings ('the Group') for the year ended 31 December 2020 set out on pages 20 to 49, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash flows, the Company Statement of Financial Position, the Company Statement of Change in Equity 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 2020 and of the Group's loss 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 IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; 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 and Company is dependent upon its ability to complete an appropriate funding exercise. 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.

Going Concern

Refer to page 25 to 26 (accounting policy)

The risk

There is judgement involved in the director's 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.

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 risk 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 14-month period from 1 June 2021 to 31 July 2022 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 inquiries of management and the Audit Committee;
- Inspecting Board minutes up to the date of approval of the financial statements; and
- Considering the adequacy of the Group's disclosures in note 1 on page 25 to 26 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. The Exploration and Evaluation ("E&E") Assets within the Company were fully impaired in the prior year and therefore we do no 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 pages 28 to 29 (accounting policy) and page 33 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The carrying value of E&E assets at 31 December 2020 is €60.425m. 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.	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 a 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 forecasts, evidence of ongoing appraisal activity and communications with joint venture partners and shareholders. 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 €0.32 million (2019: €0.33 million), which is 0.5% of total assets. We determined materiality for the Company to be €0.23 million (2019: €0.23 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 €0.016 million (2019: €0.015 million) for the Group and in excess of €0.011 million (2019: €0.011) for the Company, 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 Providence Resources Plc and Exola Designated Activity Company, accounting for 99 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.

Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company, or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated above in our report, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated management's assessment of going concern is set out above in our report. Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have nothing material to add or draw attention to in relation to the Directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting, and their identification therein of a material uncertainty over the Group and Company's ability to continue to use that basis for the going concern period.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the non-financial statement included on the company's website at https://www.providenceresources.com/ and the Business Review and Corporate Governance Section 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 undertaken during the course of the audit, 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; and
- 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.

We have nothing to report in this regard.

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 http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for.

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.

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

18 June 2021

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020 €'000**	2019 €'000
Continuing operations			
Administrative expenses	2	**(2,163)**	(4,542)
Pre-licence expenditure	8	**(5)**	(273)
Impairment of exploration and evaluation assets	10	**(272)**	(21,121)
Operating loss	8	**(2,440)**	(25,936)
Finance income	3	**361**	30
Finance expense	4	**(8,279)**	(947)
Loss before income tax		**(10,358)**	(26,853)
Income tax expense	5	**–**	–
Loss for the financial year		**(10,358)**	(26,853)
Loss per share (cent)			
Basic and diluted loss per share	9	**(1.31)**	(4.39)

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

The notes on pages 25 to 42 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
Loss for the financial year		**(10,358)**	(26,853)
Other comprehensive income			
Items that may be reclassified into profit or loss:			
Foreign exchange translation differences		**(5,453)**	1,195
Total comprehensive expense for the year		**(15,811)**	(25,658)

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

The notes on pages 25 to 42 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
Assets			
Exploration and evaluation assets	10	**60,425**	65,377
Property, plant and equipment	11	**13**	38
Total non-current assets		**60,438**	65,415
Trade and other receivables	12	**223**	398
Cash and cash equivalents	13	**2,110**	710
Total current assets		**2,333**	1,108
Total assets		**62,771**	66,523
Equity			
Share capital	14	**71,743**	71,512
Share premium	14	**256,773**	251,300
Undenominated capital		**623**	623
Foreign currency translation reserve	15	**4,634**	10,087
Share based payment reserve	15	**806**	642
Retained deficit		**(285,189)**	(274,898)
Total equity attributable to equity holders of the Group		**49,390**	59,266
Liabilities			
Decommissioning provision	16	**5,853**	5,733
Lease liability		**–**	9
Warrant liabilities	19	**3,555**	–
Total non-current liabilities		**9,408**	5,742
Trade and other payables	18	**815**	1,515
Warrant liabilities	19	**3,158**	–
Total current liabilities		**3,973**	1,515
Total liabilities		**13,381**	7,257
Total equity and liabilities		**62,771**	66,523

On behalf of the board

Pat Plunkett
Chairman

Alan Linn
Chief Executive

The notes on pages 25 to 42 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital €'000	Undenominated capital €'000	Share premium €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Retained deficit €'000	Total €'000
At 1 January 2020	71,512	623	251,300	10,087	642	(274,898)	59,266
Total comprehensive expense							
Loss for financial year	–	–	–	–	–	(10,358)	(10,358)
Currency translation	–	–	–	(5,453)	–	–	(5,453)
Total comprehensive expense	**–**	**–**	**–**	**(5,453)**	**–**	**(10,358)**	**(15,811)**
Transactions with owners, recorded directly in equity							
Share based payment expense	–	–	–	–	448	–	448
Share options lapsed in year	–	–	–	–	(284)	284	–
Shares issued in year	231	–	5,473	–	–	(217)	5,487
Transactions with owners, recorded directly in equity	**231**	**–**	**5,473**	**–**	**164**	**67**	**5,935**
At 31 December 2020	**71,743**	**623**	**256,773**	**4,634**	**806**	**(285,189)**	**49,390**

	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**

The notes on pages 25 to 42 to the financial statements form an integral part of the statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 €'000	2019 €'000
Cash flows from operating activities		
Loss after tax for the year	**(10,358)**	(26,853)
Adjustments for:		
Depletion and depreciation	**24**	35
Impairment of exploration and evaluation assets	**272**	21,121
Finance income	**(361)**	(30)
Finance expense	**8,279**	947
Share based payment charge	**448**	40
Foreign exchange	**21**	(122)
Change in trade and other receivables	**175**	66
Change in trade and other payables	**(700)**	825
Net cash outflow from operating activities	**(2,200)**	(3,971)
Cash flows from investing activities:		
Interest received	**1**	30
Acquisition of exploration and evaluation assets	**(845)**	(6,075)
Acquisition of property, plant and equipment	**(1)**	(56)
Net cash used in investing activities	**(845)**	(6,101)
Cash flows from financing activities		
Proceeds from issue of share capital	**4,836**	3,442
Issue costs	**(349)**	(429)
Net cash from financing activities	**4,487**	3,013
Net increase/(decrease) in cash and cash equivalents	**1,442**	(7,059)
Cash and cash equivalents at beginning of year	**710**	7,617
Effect of exchange rate fluctuations on cash and cash equivalents	**(42)**	152
Cash and cash equivalents at end of year	**2,110**	710

The notes on pages 25 to 42 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 2020 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 2020 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 €19,787,000 (*2019: €28,144,000*) for the financial year ended 31 December 2020 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 18 June 2021.

Going concern

The Directors have prepared the financial statements on a going concern basis which assumes that Group and Company will continue in operational existence for at least twelve months from the date of the approval of these financial statements.

The Group had net assets of €49.4m, including cash on hand of €2.1m at 31 December 2020. It recognised a loss after taxation of €10.4 million. Consequently, the Directors have considered both current and future expenditure commitments and the options available to fund such commitments including equity funding and other financing options in the twelve month period from the date of approval of these financial statements.

In May 2020, the company raised c. €3.0m (gross proceeds) through the issue of ordinary shares which comprised of one ordinary share, one £0.03 warrant which expired on the 6 May 2021 and one £0.09 warrant which expires on the 6 May 2022. A total of 177,973,004 warrants of £0.03 and 177,973,004 warrants of £0.09 were issued. By the 6 May 2021, 133,350,343 warrants of £0.03 were converted into ordinary shares, raising a total of €4.5m (£4.0m); €2.9m (£2.6m) of which was raised in 2021 with the conversion of 86,061,529 warrants. This represents a total conversion ratio of 74.9% for the £0.03 warrants and demonstrates the ongoing support of shareholders for the company.

The Standard Exploration License (SEL1/11) for Barryroe expires in July 2021 and the Company has applied for a Lease Undertaking License, which is the follow-on permit. The Lease Undertaking License, financial capability assessment and work program are subject to government approval. The Directors anticipate that the lease undertaking will be granted as the Group has complied with all of the requirements for such approval. The Directors note that the Irish Government has stated that all existing licences will be allowed to run their full life cycle.

The Directors have carefully considered the current financial position of the Group and, within this context, have prepared cash flow forecasts for the period to 30 June 2022. Based on their consideration of the Group's cash flow forecasts, including appropriate underlying assumptions ,and noting that the main risk factors in these cashflow forecasts are the granting of the Lease Undertaking on acceptable terms and conditions and the completion of an appropriate financing during the period, the Directors are satisfied that the Group will have access to sufficient funds to cover its working capital and capital expenditure expected over this 12 month period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

The Directors have considered the matters set out above and determined that the requirement to secure additional funding in the next 12 months constitutes 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 will have adequate resources to continue in operational existence for the foreseeable future. The Directors anticipate that an appropriate financing exercise will be successfully completed and note that the Group and Company has continued to have the strong support of shareholders. For these reasons, the Directors have adopted the going concern basis in preparing the annual financial statements and 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 2020

The Group has applied the following standards, interpretations and amendments with effect from 1 January 2020

- Amendment to IFRS 16 Leases Covid 19 - Related Rent Concessions
- Amendments to IAS 1 and IAS 8: *Definition of Material*
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 Business Combinations; definition of a business

Amendments to IFRS 9, IAS 39 and IFRS 7: *Interest Rate Benchmark Reform*

The amendments and interpretations 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.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in 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 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.

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 €60.4 million (*2019: €65.4 million*) at 31 December 2020. 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 and the granting of the lease undertaking which is subject to government approval; see note 10.

ii) Decommissioning

The decommissioning provision amounts to €5.9 million (*2019: €5.7 million*) at 31 December 2020 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.

iii) Warrants

The warrants were issued as part of the placing in May 2020. There were two sets of warrants attached to each share. The duration for the £0.03 was one year and for the £0.09 was two years. At 31 December, the warrants valuation amount to €6.2m and represents management best estimates of the liability. The period of 18 months has been used for the volatility calculation for the £0.09 warrants which expire on 6 May 2022 and the £0.03 warrants expired on 6 May 2021. The 4 month period for the £0.03 warrants was too short and would distort the volatility calculation as it is a key component when calculating the fair value using Black Scholes; see note 19.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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, fair value movement of warrants, 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.

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.

1 Accounting policies (continued)

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.

(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 0.5 years

Cash and cash equivalents

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

1 Accounting policies (continued)

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.

Warrants

The Group classifies instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The warrants issued (as outlined in note 19) are derivative in nature and are liability classified. They do not qualify for equity classification as any cash settlement on exercise of these warrants will be received in a foreign currency (to the Group's functional currency), £ sterling. The warrant liabilities are recognised at their fair value on initial recognition and subsequently are measured at fair value through profit or loss. Any incremental direct costs associated with the issuance of warrants is taken as an immediate charge to finance costs through the income statement.

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

	2020 €'000	2019 €'000
Corporate, exploration and development expenses	**2,142**	3,897
Restructuring costs	**–**	1,170
Foreign exchange gain	**21**	(120)
Total administration expenses for the year	**2,163**	4,947
Capitalised in exploration and evaluation assets (note 10)	**–**	(405)
Total charged to the income statement	**2,163**	4,542

3 Finance income

	2020 €'000	2019 €'000
Bank deposit interest income	**1**	30
Foreign exchange on decommission provision (note 16)	**360**	–
Total finance income	**361**	30

4 Finance expense

	2020 €'000	2019 €'000
Unwind of discount on decommissioning provision (note 16)	**565**	521
Foreign exchange loss on decommissioning provision	**–**	424
Interest on right to use asset	**1**	2
Issue costs associated with the warrants	**132**	
Movement in fair value of warrants (note 19)	**7,581**	–
Total finance expense recognised in income statement	**8,279**	947

5 Income tax result

	2020 €'000	2019 €'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:

	2020 €'000	2019 €'000
Loss before tax	**(10,358)**	(26,853)
Irish standard tax rate	**12.5%**	12.5%
Tax credit at the Irish standard rate	**(1,295)**	(3,357)
Expenses not deductible for tax purposes	**201**	3,637
Losses carried forward	**1,094**	(280)
Other	**–**	–
Tax result for the year	**–**	–

6 Employee expenses and numbers

	2020 €'000	2019 €'000
Wages and salaries	**493**	1,284
Social welfare costs	**79**	162
Defined contribution pension costs	**34**	158
Redundancy costs	**–**	722
Share-based payment expense (note 19)	**448**	40
	1,054	2,366

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

	2020 €'000	2019 €'000
Wages and salaries	**–**	246

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

	2020 Number	2019 Number
Exploration and evaluation	**–**	5
Corporate management and administration	**2**	6
	2	11

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 €34,000 (*2019: €158,000*).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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)	2020 €'000	2019 €'000	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Executive							
Alan Linn		**295**	–	**–**	–	**295**	–
Tony O'Relly	6 December 2019	**–**	954	**–**	–	**–**	954
John O'Sullivan	7 August 2019	**–**	256	**–**	–	**–**	256
Sub-total		**295**	1,210	**–**	–	**295**	1,210
Non-executive							
Angus McCoss	20 July 2020	**–**	–	**25**	45	**25**	45
Lex Gamble	30 September 2019	**–**	–	**–**	34	**–**	34
James McCarthy	12 September 2019	**–**	–	**–**	32	**–**	32
Philip O'Quigley	30 September 2019	**–**	–	**–**	34	**–**	34
Andrew Mackay		**–**	–	**22**	–	**22**	–
Pat Plunkett		**–**	–	**100**	100	**100**	100
Sub-total		**–**	–	**147**	245	**147**	245
Total		**295**	1,210	**147**	245	**442**	1,455

The share-based payments expense in relation to directors amounted to €431,000 (*2019: €40,000*). The share based payment expense for Alan Linn in 2020 was €400,000.

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

	2020 €'000	2019 €'000
Wages, salaries and fees (including termination payments):		
Executive directors	**295**	1,177
Non-executive directors	**147**	245
Other key management salaries	**198**	327
	640	1,749
Social welfare costs	**79**	59
Defined contribution pension costs	**34**	75
Share-based payment expense	**448**	40
	1,201	1,923

8 Statutory and other information

	2020 €'000	2019 €'000
Auditor's remuneration		
– Audit	**54**	54
– Audit of subsidiary entities	**9**	9
– Taxation services	**8**	8
Operating lease rentals on property	**68**	258
Depreciation on property, plant and equipment	**24**	35
Amortisation of intangible assets	**–**	–
Impairment of evaluation and exploration assets	**272**	23,763
Fair value adjustment of abandonment provision	**–**	(2,642)
Pre-licence exploration expenditure	**5**	273
Directors' emoluments		
– Fees	**147**	245
– Salaries and other emoluments	**295**	1,210

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 2020 €'000	Total 2019 €'000
Loss attributable to equity holders of the Company	**(10,358)**	(26,853)

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

	2020	2019
In issue at beginning of year ('000s)	**657,425**	597,659
Adjustment for share issue in year	**130,519**	14,308
Weighted average number of ordinary shares ('000s)	**787,944**	611,967

	cent	cent
Basic and diluted loss per share (cent)	**(1.31)**	(4.39)

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 37,850,000 (*2019: 4,650,000*) anti-dilutive share options in issue at 31 December 2020.

10 Exploration and evaluation assets

	Republic of Ireland €'000
Cost and net book value	
At 1 January 2019	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
Additions	902
Cash calls received in year	(57)
Impairment charge	(272)
Foreign exchange translation	(5,525)
At 31 December 2020	**60,425**

The exploration and evaluation asset balance at 31 December 2020 relates to the Barryroe asset.

The directors assessed all activities ongoing within exploration and evaluation assets and determined that an impairment charge of €0.27 million (*2019: €23.8 million*) was required at 31 December 2020. The €0.27 million relates to residual costs for Dunquin and Avalon that were incurred in 2020. These licences have now been relinquished.

In 2019, the impairment charge was against 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 in 2019, €21.2m, was 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 the granting of the lease undertaking which is subject to government approval and future successful 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 2019	–	712	712
Additions in year	–	10	10
Recognition of right to use asset on initial application of IFRS 16	46	–	46
Disposal	–	(590)	(590)
At 31 December 2019	46	132	178
Additions in year	–	1	1
Translation	(3)	–	(3)
At 31 December 2020	**43**	**133**	**176**
Depreciation			
At 1 January 2019	–	684	684
Charge for year	19	16	35
Disposal	–	(579)	(579)
At 31 December 2019	19	121	140
Charge for year	17	7	24
Translation	(1)	–	(1)
At 31 December 2020	**35**	**128**	**163**
Net book value			
At 31 December 2020	**8**	**5**	**13**
At 31 December 2019	27	11	38

12 Trade and other receivables

	2020 €'000	2019 €'000
VAT recoverable	**28**	53
Prepayments	**162**	242
Amounts due from joint operation partners	**33**	103
	223	398

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

13 Cash and cash equivalents

	2020 €'000	2019 €'000
Held in bank accounts	**2,110**	710
Cash and cash equivalents	**2,110**	710

14 Share capital and share premium

Authorised	Number ('000)	€'000
Deferred shares of €0.011 each (a) at beginning of year	9,944,066	109,385
Deferred shares of €0.011 each (a) each at end of year	9,944,066	109,385
Ordinary shares of €0.001 each at beginning of year	986,847	987
Ordinary shares of €0.001 each at end of year	1,800,000	1,800

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

14 Share capital and share premium (continued)

Issued	Number 000's	Share capital €'000	Share premium €'000
Deferred Shares of €0.011 each			
At 31 December 2019	6,441,373	70,855	5,691
At 31 December 2020	**6,441,373**	**70,855**	**5,691**
Ordinary Shares of €0.001 each			
At 31 December 2019	657,425	657	245,609
Shares issued during the year	184,089	184	1,939
Warrants exercised in year	47,289	47	3,534
At 31 December 2020 (Ordinary Shares of €0.001)	**888,803**	**888**	**251,082**
At 31 December 2020 (Total Deferred and Ordinary Shares)	**7,330,176**	**71,743**	**256,773**

On 5 May 2020, the Company issued 177,973,004 Ordinary Shares as part of a placing and subscription agreement which raised c. €3.1m from security instruments before expenses. Each of these security instruments comprised of one Ordinary Share of €0.001, one £0.03 warrant and one £0.09 warrant.

On issuance, a fair value of €1.9m was attributed to the Ordinary Shares (share capital/share premium outlined above) and €1.2m to the Warrant instruments based on the effective share price at that date. In line with the Group's accounting policies these Warrants are presented as financial liabilities. The holder of each warrant can exercise its rights under the instrument which allows that holder to convert the warrant into one ordinary share, with a par amount of €0.001, by payment of the exercise price of £0.03 or £0.09, as applicable. The warrants are non-transferrable.

The £0.03 warrants expired in May 2021 while the £0.09 warrants expire in May 2022.

On 28 May 2020, the Company issued 6,116,208 Ordinary Shares through a subscription agreement which raised c. €0.2m.

During the year, there were 47,288,814 of the £0.03 warrants exercised out of the 177,973,004 that were issued as part of the equity raise in May 2020.

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

	2020 €'000	2019 €'000
At beginning of year	**5,733**	7,406
Unwinding of discount	**565**	521
Foreign exchange (gain)/loss	**(360)**	448
Fair value adjustment in provision liability	**–**	(2,642)
Translation adjustment	**(85)**	–
At end of year	**5,853**	5,733

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated to be between 2025 and 2027.

In 2019, the Group reassessed the estimated decommissioning period and this 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% (*2019: 10%*) per annum, reflecting the associated risk profile.

17 Deferred taxation

The Group has not recognised a potential deferred tax asset of €26.4 million (*2019: €26.9 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

	2020 €'000	2019 €'000
Accruals	**361**	385
Other payables	**445**	1,112
Leases	**9**	18
	815	1,515

19 Share and warrant schemes

The Group operates employee share schemes as follows:

2009 Scheme

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

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

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

At 31 December 2020, options over 3,850,000 (*2019: 4,650,000*) shares remained outstanding at subscription prices ranging from €0.142 to €0.170, with a weighted average price of €0.152 (*2019: €0.16*). These options expire at varying dates up to June 2024, with none exercisable at year end.

2020 Scheme

In 2020, the directors adopted a share option scheme which contains certain performance criteria. No options can be issued after 10 years of the scheme. The option price is the market price immediately preceding the date of the grant. The "2020 scheme" operates as an equity-settled share option scheme and the options granted are subject to certain conditions. No option is exercisable more than seven years after grant date and no option is exercisable within one year of grant. The "2020 scheme" was approved at the EGM on the 5 May 2020.

The applicable criteria for the exercise of the options are;

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

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

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

19 Share and warrant schemes (continued)

During the period, 36,500,000 share options were granted under the 2020 Share option scheme. 31,500,000 options were granted to the Directors (including 2,500,000 for Angus McCoss) and 5,000,000 options were granted to employees.

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

Charge

The share-based payment charge for the year was €448,000 (*2019: €40,000*).

Warrants

On 5 May 2020, the Company raised c. €3.1m by the issue of security instruments with each security instrument comprising one ordinary share, with a par amount of €0.001, one £0.03 warrant (expires in May 2021) and one £0.09 warrant (expires in May 2022). The fair value of the warrants was calculated using Black Scholes model. The following key input assumptions were applied to the initial valuation on issuance of these instruments:

	£0.03 Warrants	£0.09 Warrants
Number of warrants	177,973,004	177,973,004
Volatility	148%	148%
Time period	1 Year	2 Years
Dividend yield	0%	0%
Risk free interest rate	(0.01%)	(0.01%)
Exercise price	£0.03	£0.09
Placing effective Share price	0.01068	0.01068
Initial value of security	0.00299	0.00349
Fair value	€531,444	€621,982

The c. €3.1m raised before expenses, from previous and new shareholder investors, for the security instruments in May 2020 was considered the transaction price fair value. The split of this fair value on issuance of these security instruments, based on a placing effective share price of €0.01068, was €0.531m for the £0.03 Warrants, €0.622m for the £0.09 Warrants and €1.901m for the Ordinary Shares (split between share capital and share premium account (note 14)).

During 2020, 47,288,814 of the £0.03 warrants were exercised. There were a number of warrant transactions exercised in each of the months. The key assumptions used in the calculation of their fair value at the exercise date are included in the table below. The weighted average closing price was used to reflect the number of transactions in each month.

	September 20	October 20	December 20
Number of warrants	24,648,335	10,966,667	11,673,812
Volatility	125%	125%	125%
Time period	0.58 Year	0.50 Year	0.33 Years
Dividend yield	0%	0%	0%
Risk free interest rate	(0.6%)	(0.6%)	(0.6%)
Exercise price	£0.03	£0.03	£0.03
Weighted average closing share price	€0.07	€0.08	€0.06
Fair value	€1,138,828	€557,901	€324,687

The fair value of the warrants exercised during the year is recognised as a finance expense of €2.02m in the income statement (see note 4) with a corresponding increase in share premium.

19 Share and warrant schemes (continued)

On 31 December 2020, the warrants were fair valued using appropriate inputs including the closing share price on that day of €0.055. The period of 18 months has been used for the volatility calculation for the £0.09 warrants which would expire on 6 May 2022 and the £0.03 warrants which expired on 6 May 2020. The 4-month period for the £0.03 warrants was too short and would distort the volatility calculation as it is a key component when calculating the fair value using Black Scholes. The fair value movement being the difference between initial valuation and 31 December 2020 valuation in the amount of €5.56m is recorded as a finance expense in the Income statement.

	£0.03 Warrants	£0.09 Warrants
Number of warrants	130,684,190	177,973,004
Volatility	125%	125%
Time period	.33 Year	1.33 Years
Dividend yield	0%	0%
Risk free interest rate	(0.06%)	(0.06%)
Exercise price	£0.03	£0.09
Closing share price 31 December 2020	€0.055	€0.055
Fair value as at 31 December 2020	3,157,748	3,555,240

The following table shows the fair value movement:

	Number of Warrants	£0.03 Warrants €'000	Number of Warrants	£0.09 Warrants €'000	Total €,000
Initial valuation	**177,973,004**	**€531**	**177,973,004**	**€622**	**€1,153**
September 20 Exercised	24,648,335	€1,139	-	-	€1,139
October 20 Exercised	10,966,667	€558	-	-	€558
December 20 Exercised	11,673,812	€324	-	-	€324
Exercised fair value	**47,288,814**	**€2,021**	**-**	**-**	**€2,021**
Fair value as at 31 December 2020	**130,684,190**	**€3,158**	**177,973,004**	**€3,555**	**€6,713**
Fair value 2020		**€5,179**		**€3,555**	**€8,734**
Total Fair value movement recognised in the income statement (see note 4)		**€4,648**		**€2,933**	**€7,581**

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.

20 Financial instruments (continued)

(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:

	2020 €'000	2019 €'000
Variable rate instruments		
Financial assets – cash and cash equivalents	**2,110**	710

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ('bps') in interest rates at 31 December 2020 and 31 December 2019 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 2020		
Variable rate instruments	**16**	**(1)**
31 December 2019		
Variable rate instruments	6	(5)

(b) Foreign currency risk

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

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 2020 and 2019 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 2020					31 December 2019				
	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	**–**	**–**	**–**	**28**	**28**	–	–	–	53	53
Other debtors	**–**	**–**	**33**	**162**	**195**	–	–	104	241	345
Cash and cash equivalents	**–**	**534**	**40**	**1,536**	**2,110**	–	257	322	131	710
Trade and other payables	**–**	**(10)**	**(33)**	**(772)**	**(815)**	–	(110)	(816)	(589)	(1,515)
Total exposure	**–**	**524**	**40**	**954**	**1,518**	–	147	(390)	(164)	(407)

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

	Average rate		Spot rate at 31 December	
	2020	2019	2020	2019
1 GBP	**0.8893**	0.8759	**0.8990**	0.8508
1 USD	**1.1470**	1.1195	**1.2271**	1.1234

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20 Financial instruments (continued)

Sensitivity analysis

A 10% strengthening and weakening of the euro against the following currencies, based on outstanding financial assets and liabilities at 31 December 2020 and 31 December 2019 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 2020				
GBP	**(52)**	**52**	**143**	**(174)**
USD	**(1)**	**1**	**(86)**	**105**
31 December 2019				
GBP	(23)	23	476	(581)
USD	49	(49)	(118)	144

(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 2020 and 2019 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:

	2020 €'000	2019 €'000
Cash and cash equivalents	**2,110**	710
VAT recoverable	**28**	53
Other receivables	**195**	345
Maximum exposure to credit risk	**2,333**	1,108

(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 2020, 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, warrants 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 €3.6 million in respect of its share of costs of exploration and evaluation and appraisal activities to be incurred in 2021.

(b) Leases

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

	2020 €'000	2019 €'000
Payable:		
Within one year	**10**	86
Between two and five years	**–**	9
Total operating lease commitments	**10**	95

(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

Providence Resources Plc used NRG for carrying out studies in 2020. The value of the work undertaken was €14,305.

Andrew Mackay who is a non-executive Director of Providence Resources Plc was the founder and is part owner of NRG.

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.

2020

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Barryroe	SEL 1/11	179	–	–	179
Corporate**		42	–	–	42
Total Ireland		221	–	–	221

2019

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

** 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Group transparency disclosures

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.

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

On 1 March 2021, the Company announced that it extended the farm-out agreement with SpotOn Energy by an additional two months until 30 April 2021 to allow it to complete its funding obligation as required under the farm-out agreement signed 30 November 2020.

On 22 April 2021, the Company terminated the farm-out agreement with SpotOn Energy as the key financing requirements were not met and announced that Providence Resources Plc will now lead the project.

A major shareholder (Pageant) has agreed to underwriting an equity placing up to $2.5m at £0.03p per share and one warrant of £0.03p which would raise a similar amount but underlines the support that the Company has from its shareholders to keep the project moving forward. The offer remains open until 30 June 2021.

By 6 May 2021, shareholders had exercised 86,061,529 of £0.03 warrants in the Company raising an additional £2.6m ($3.6m) since the year end. The overall conversion rate of the £0.03 warrants was 74.97% which shows the strong support that the Company has received from its shareholders.

On 7 May 2021, James Menton was appointed Senior Independent Non-Executive Director to the Board. He is a highly experienced advisor to some of Ireland and the world's leading companies with over two decades in professional advisory services. He was a partner with KPMG Ireland, following its merger with Andersen in 2002 where he had been a partner since 1986. During this time, he provided advice to many of Ireland's listed oil and gas companies among other Plc clients.

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.

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 18 June 2021.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
Fixed assets			
Oil and gas interests	2	**–**	–
Tangible assets	3	**5**	11
Financial assets	4	**2**	2
Total non-current assets		**7**	13
Current assets			
Debtors	5	**43,644**	52,786
Cash at bank and in hand		**2,102**	699
Total current assets		**45,746**	53,485
Creditors: amounts falling due within one year	6	**(3,702)**	(1,250)
Net current assets		**42,044**	52,235
Total assets less current liabilities		**42,051**	52,248
Non current liabilities			
Provision for liabilities	7	**(4,879)**	(4,779)
Credtiors: amounts falling due over one year	8	**(3,555)**	–
Total non current liabilites		**(8,434)**	(4,779)
Net assets		**33,617**	47,469
Capital and reserves			
Called up share capital	9	**71,743**	71,512
Share premium	9	**256,773**	251,300
Undenominated capital	9	**623**	623
Share based payment reserve	9	**806**	642
Profit and loss account	9	**(296,328)**	(276,608)
Shareholders' funds - equity		**33,617**	47,469

On behalf of the board

Pat Plunkett
Chairman

Alan Linn
Chief Executive

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	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 2020	71,512	623	251,300	642	(276,608)	47,469
Loss for financial year	–	–	–	–	(19,787)	(19,787)
Total comprehensive loss	–	–	–	–	(19,787)	(19,787)
Transactions with owners, recorded directly in equity						
Share based payment expense	–	–	–	448	–	448
Share options lapsed	–	–	–	(284)	284	–
Shares issued in year	231	–	5,473	–	(217)	5,487
Transactions with owners, recorded directly in equity	231	–	5,473	164	67	5,935
At 31 December 2020	**71,743**	**623**	**256,773**	**806**	**(296,328)**	**33,617**

	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**

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 25 to 42.

Going concern

Refer to basis of preparation of consolidated financial statements information on the going concern on the Group and Company on page 25.

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 2020 €'000
Cost	
At 1 January 2020	–
Exploration and appraisal expenditure	274
Administration expenses capitalised	–
Impairment charge	(274)
At 31 December 2020	**–**

The directors have assessed the current activities ongoing within exploration and evaluation assets and have determined that an impairment charge of €0.27 million (*2019: €23.8 million*) is required at 31 December 2020. The impairment charge is for residual costs on Dunquin and Avalon. These licences have now been relinquished.

In 2019, the impairment was 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 in 2019 which resulted in a fair value credit to the abandonment provision of €2.2m (see note 7).

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

3 Tangible fixed assets

	Furniture and equipment €'000
Cost	
At 1 January 2020	87
Additions in year	1
Disposal	–
At 31 December 2020	**88**
Depreciation	
At 1 January 2020	76
Charge for year	7
Disposal	–
At 31 December 2020	**83**
Net book value	
At 31 December 2020	**5**
At 31 December 2019	11

4 Financial fixed assets

	2020 €'000
Investments in subsidiaries at start and end of year	**2**

At 31 December 2020, 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 Renewables 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%

5 Debtors

	2020 €'000	2019 €'000
VAT	**23**	50
Prepayments	**129**	228
Amounts due from subsidiaries	**43,492**	52,508
	43,644	52,786

All of the above amounts fall due within one year.

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

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

	2020 €'000	2019 €'000
Trade creditors	**219**	400
Accruals	**325**	153
Amounts due to joint operating partners	**–**	697
Warrant liabilities (note 8)	**3,158**	–
	3,702	1,250

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

7 Provision for liabilities – Decommissioning

	2020 €'000	2019 €'000
At 1 January	**4,779**	5,973
Unwind of discount	**444**	434
Decrease in abandonment provision	**–**	(2,218)
Foreign exchange differences	**(344)**	590
Balance at 31 December	**4,879**	4,779

Decommissioning costs are expected to be incurred over the remaining lives of the fields, which are estimated up to 2025.

In 2019, the Group reassessed the estimated decommissioning period and this 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% (*2019: 10%*) per annum, reflecting the associated risk profile.

8 Warrants

See note 19 on pages 36 to 38 to the Group financial statements.

9 Share capital

See notes 14 and 15 on pages 34 and 35 to the Group financial statements.

10 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 2021.

Leases

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

	2020 €'000	2019 €'000
Within one year	**–**	68

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

11 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 €19,787,000 (*2019: loss of €28,144,000*) for the financial year ended 31 December 2020 has been dealt with in the separate profit and loss account of the Company.

	2020 €'000	2019 €'000
Auditor's remuneration	**54**	54

During the year the Company employed 2 (*2019: 11 people*) and incurred payroll costs of € 0.56 million (*2019: €1.4 million*), which includes social welfare costs of €0.08m (*2019: €0.2m*).

The Company incurred a restructuring charge of €Nil during 2020 (*2019: €0.7m*).

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 €0.03 m (*2019: €0.2m*).

The Company capitalised €Nil (*2019: €0.25m*) of the €0.56m gross payroll cost within the Company's carrying value of its exploration and evaluation assets.

12 Related party transactions

Providence Resources Plc used NRG for carrying out studies in 2020 on behalf of Exola DAC. The value of the work undertaken was €14,305.

Andrew Mackay who is a non-executive Director of Providence Resources Plc was the founder and is part owner of NRG.

13 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.

2020

Licence	Licence number	Licence fees €'000	PIP fees €'000	CRU fees €'000	Total €'000
Corporate**		42	–	–	42
Total Ireland		**42**	**–**	**–**	**42**

2019

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

** 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

13 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.

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.

14 Post balance sheet events

See note 24 on page 42 to the Group notes, this same post balance sheet events note is relevant for both Group and Company.

15 Approval of financial statements

The financial statements were approved by the board of directors on 18 June 2021.

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://globalmeet.webcasts.com/starthere.jsp?ei=1465012&tp_key=13344f67b9

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:	433085
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 Hilton Hotel, Charlemont Place, Saint Kevin's, Dublin, D02 A893 , Ireland, on 22 July 2021 at 11.00am for the purpose of considering, and if thought fit, passing the following Resolutions, of which Resolutions numbered (1) to (4) will be proposed as Ordinary Resolutions, and Resolution numbered (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 2020.

(2) To elect Mr. Andrew Mackay as a Director.

(3) To elect Mr. James Menton as a Director.

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

Special Resolutions

(5) 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 €97,486 (representing approximately 10% of the issued share capital of the Company as at the close of business on 17 June 2021),

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 18 June 2021, by order of the Board, Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18, D18 R9C7, Republic of Ireland.

Notes:

Entitlement to attend and vote

1. Pursuant to Section 1105 of the Companies Act 2014 (as modified by section 1087G of that Act) 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 (Sunday 18 July 2021), on the day before the day which is 72 hours before the scheduled time of the AGM. 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 by submitted by fax to +353 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.
5. To appoint more than one proxy please contact the Registrar on +353 1 477 5590. Euroclear Bank participants and CDI holders in CREST should consult the Euroclear Bank Services Description and the CREST International Manual. The Company may treat as invalid a proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act, 1990 (Uncertified Securities) Regulations, 1996.
6. 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

7. As a member, you have a number ways of exercising your vote: (a) by attending the Annual General Meeting in person; or (b) by appointing a proxy to vote on your behalf. 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.
8. The total number of issued ordinary shares on the date of this Notice of Annual General Meeting is 974,864,403 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.
9. 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.
10. 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.
11. 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

12. 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

13. 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 Hilton Hotel, Charlemont Place, Saint Kevin's, Dublin 2, D02 A893 on 22 July 2021 at 11am, 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

"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 m3

"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

"CEPIL" Chrysaor Exploration and Production Ireland 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.

"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

"ft" Foot or feet

"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

"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.

"Pmean" The Pmean 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

"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

"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

Andrew Mackay
(Non-Executive Director), appointed 2020[1,2,3,4]

James Menton
(Senior Independent Non-Executive Director), appointed 2021[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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D02 PY05
Ireland

Irish Stockbrokers

J&E Davy
Davy House
48/49 Dawson Street
Dublin
D02 PY05
Ireland

Principal Bankers

Allied Irish Banks PLC

Auditors

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Chartered Accountants and Registered Auditors
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St. Stephen's Green
Dublin
D02 DE03
Ireland

Financial PR

Murray Consultants Dublin
40 Lower Baggot Street
Dublin
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