26 November 2015

Hardy Oil and Gas plc
("Hardy", the "Company" or the "Group")

Half Year Results for the Six Months Ended 30 September 2015

Hardy Oil and Gas plc (LSE: HDY), the oil and gas exploration and production company focused in India, reports its results for the six months ended 30 September 2015.

All financial amounts are stated in US dollars unless otherwise indicated.

Summary

- PY-3 – a Management Committee (MC) meeting was held with Government of India (GOI) officials in which a number of actions were approved. The full field development plan (FFDP) recommended by the Operating Committee (OC) remained under consideration as several conditions were to be reviewed by higher GOI authority. The OC is considering Hardy's proposal for periodic monitoring of the field's shut-in wells.
- GS-01 – a MC meeting was held with GOI officials to discuss the way forward. In compliance with GOI policies, the Operator presented an estimate of liquidated damages (LD) associated with the consortium's unfinished minimum work programme (UMWP). The Operator's estimate is currently under consideration by the GOI. The joint venture maintained that the timely resolution of UMWP liability will facilitate the timely conclusion of a farmout of the Operator's interest to Hardy.
- CY-OS/2 – The GOI's appeal filed in the High Court of Delhi (HC) against the award passed by the Hon'ble tribunal has been listed twelve times and adjourned, at the GOI's request, on eight occasions. The matter is now scheduled to be heard again in December 2015. A parallel execution petition, to enforce the Hon'ble tribunal award, has been filed by the Company in the HC.
- Cash and short term investments at 30 September 2015 amounted to $19.3 million; Hardy has no debt.

Priorities

- PY-3 - Secure the GOI's approval, via the MC, of the recommended FFDP so that the Company can commence work to target recommencement of production in 2017.
- GS-01 – Fulfil outstanding LD with the GOI and conclude discussions with the Operator to acquire its participating interest, and Operatorship, in the block.
- CY-OS/2 - Hardy will recommence work on the appraisal of the Ganesha-1 natural gas discovery once the block has been restored to the CY-OS/2 joint venture.

Ian MacKenzie, Chief Executive Officer of Hardy, commented: "Through this down cycle in commodity prices we can achieve tangible value creation with constructive collaboration from all stakeholders, from our India based assets. We have in place clear priorities and objectives. However the pace of activity is not satisfactory. The actions of our partners and sovereign authorities to a large extent will determine our ability to invest further in India."

For further information please visit www.hardyoil.com or contact:

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STRATEGIC OVERVIEW

Commodity markets continued to experience a high level of volatility in the first half. The downward trend in oil price is being attributed to a number of factors, including robust US unconventional and OPEC production, the anticipated return of Iran to the global oil market and concerns about the slowing of global demand growth due to a downgrade of Asia's economic growth projections. We remain optimistic on the long term pricing profile for oil, as future supply should be impacted by the significant reduction in capital investment today. Current market conditions have resulted in an industry focus on reducing its cost base which presents an opportunity to implement our development plans at much lower costs.

Progress on realising value from our Indian portfolio remains largely in the hands of the GOI. In the near term our focus remains on the resumption of production on our PY-3 asset where we believe we have established an equitable way forward which is now being considered by the GOI.

We are disappointed by the GOI's appeal filed in the HC, challenging the CY-OS/2 international arbitration award. In our opinion;

- The arbitration award, issued by a tribunal, comprising of three former Chief Justices of India, was unanimous and well-reasoned;
- The dispute resolution articles of the Production Sharing Contract (PSC) clearly state that an arbitration award is to be final and binding on all Parties. Therefore the GOI's HC appeal is in contravention of the PSC.
- The HC appeal and the subsequent requests for and granting of 8 adjournments could be considered an abuse of the legal process.

We have a clear plan to acquire a further interest in, and operatorship of, our GS-01 asset. The completion of this process is pending the resolution of a longstanding liability associated with unfinished minimum work programme that is under consideration with the GOI since 2009.

As at 30 September 2015 the Company had over $19 million of cash and short term investments with no debt. The Group remains in a strong financial position from which to either fund its planned work activity for the Indian asset portfolio or to implement a change of geographical focus. The Group maintains robust internal control and risk management systems appropriate for a Company of our size and resources. The Group's near-term principal risks remain: the timing or execution of activities may not commence as forecast and delays may be experienced, the possible relinquishment of appraisal acreage; and liabilities related to ongoing disputes. It will not be reasonable to consider further investment in India until such time that we make tangible progress of our existing portfolio.

Our objectives remain to secure key stakeholders' approvals and initiate activity that will take us closer to realising production from our portfolio of assets for the benefit of our shareholders. We have in place clear objectives even though the current pace of activity is not consistent with our goals. Through this down cycle in commodity prices we can achieve tangible value creation provided we have the constructive collaboration of all stakeholders of our India based assets. The actions of our joint arrangement partners and sovereign authorities will shape our future in India.

OPERATIONS

The Company's exploration and production assets are based in India and are held through its wholly owned subsidiary Hardy Exploration & Production (India) Inc. (HEPI).

Health, safety and environment

The Company is committed to excellent health and safety practices which are at the forefront in all of our activities. Although all offshore activities are currently suspended, maintaining high HSE standards throughout the organisation remains core to all our undertakings. The Company's HSE policy document is regularly reviewed and amended.

Block CY-OS 90/1 (PY-3):

Oil Field (Hardy 18 per cent interest – Operator)

Operations – A PY-3 MC meeting was convened in June 2015 to consider the OC's recommended FFDP and budgets. Several agenda items were agreed but finalisation of the minutes of meeting remain pending. The FFDP remained under consideration while the GOI representatives consulted with higher authority regarding the necessary PSC extension and Cess and Royalty treatment.

The FFDP envisages a resumption of production from one well at the rate of around 3,000 bbld and subsequently drill two new producers and undertake the side-tracking of a third well. Production is estimated to peak around 8,000 bbld.

Two Quarterly Update meetings were held between Hardy and representatives of the Directorate General of Hydrocarbons (DGH). At the request of DGH, Hardy provided analysis supporting the OC recommendation to facilitate the recommencement of production. Hardy also proposed further well monitoring activity which is under consideration by the OC.

Objectives – Secure timely approval of the FFDP from the GOI after which we intend to target the recommencement of production in 2017. This will be achieved by securing the appropriate offshore production and storage facilities while simultaneously initiating planning for a development drilling programme.

Background - The PY-3 field is located off the east coast of India, 80 km south of Pondicherry in water depths between 40 m and 450 m. The Cauvery Basin was developed in the late Jurassic/early Cretaceous period and straddles the present-day east coast of India. The licence, which covers 81 km^2, produces high quality light crude oil (49° API). The field has produced over 24.8 mmbbl and was shut-in in July 2011 due to the expiry of the production facilities marine classification and the refusal by the GOI to allow the extension of the contract.

Block GS-OSN-2000/1 (GS-01):

Appraisal (Hardy 10 per cent interest)

Operations – A number of high level meetings were held with DGH and Ministry representatives to facilitate the timely conclusion to Hardy's acquisition of Reliance's 90 per cent interest and Operatorship. General commercial terms have been agreed and a draft farm-out agreement is under review by both parties. However, both parties have advised the GOI that the matter of possible liquidated damages associated with UMWP, being considered by the GOI since 2009, needs to be closed out prior to the conclusion of the acquisition process. A FDP, for the Dhirubhai 33 natural gas discovery, was submitted to the GOI for review and approval in 2012. The development plan provides for several dry tree wells, an unmanned platform, multiphase pipeline to shore and onshore processing and export facilities.

Both Parties have made a constructive proposal to the GOI, to fulfil the UMWP liabilities, but we are awaiting a response from the GOI.

Objective – Finalise the quantum of liquidated damages outstanding prior to concluding discussions with Reliance to acquire its participating interest and the Operatorship of the block. Following this, a priority will be to secure GOI approval of the FDP and initiate planning for development.

Background – In 2011, the GS-01 joint venture secured the GOI's concurrence for the declaration of commerciality (DOC) proposal for the Dhirubhai 33 discovery GS01-B1, drilled in 2007) which flow-tested at a rate of 18.6 mmscf/d gas with 415 bbl/d of condensate through a 56/64 inch choke at flowing tubing head pressure of 1,346 psi. The GS-01 licence is located in the Gujarat- Saurashtra offshore basin off the west coast of India, northwest of the prolific Bombay High oil field, with water depths varying between 80 m and 150 m. The retained discovery area covers 600 $km^{2.}$

Block CY-OS/2:
Appraisal (Hardy 75 per cent interest – Operator)

The GOI's appeal in the HC, against the unanimous international arbitration award, passed by three former Chief Justice of India, to restore the block to the joint venture continued. The GOI appeal is challenging the jurisdiction of the tribunal and merit of the award. To date the HC has listed the appeal twelve times and, at the request of the GOI adjourned the matter on eight occasions (see schedule of hearings).

We are disappointed that the GOI has chosen not to comply with the tribunal award and pursued an appeal in the HC. In our opinion;

- The arbitration award, issued by a tribunal, comprising of three former Chief Justices of India, was unanimous and well-reasoned;
- The dispute resolution articles of the Production Sharing Contract (PSC) clearly state that an arbitration award is to be final and binding on all Parties. Therefore the GOI's HC appeal is in contravention of the PSC.
- The HC appeal and the subsequent requests for and granting of 8 adjournments could be considered an abuse of the legal process.

On 9 July 2015 the HC questioned its territorial jurisdiction and the appeal petition was dismissed due to the GOI's withdrawal of the appeal. The GOI has subsequently filed a review petition which is pending before the HC. The next hearing is scheduled for early December 2015.

In November 2013 Hardy had filed an execution petition with the HC and this has run in parallel with the GOI appeal. The HC has continually adjourned the matter due to the ongoing GOI appeal.

Contingent Asset – As at 30 September 2015, Hardy's 75 per cent share of the interest awarded by the Hon'ble Arbitration Tribunal amounted to approximately $48.1 million.

Objective – We will continue to seek the restoration of the block to the CY-OS/2 joint venture in a timely manner. The GOI appeal is under review by the HC and this process is likely to continue through 2016. The Company believes that it has a strong position as the unanimous international award is well reasoned. Hardy will recommence work on the appraisal of the Ganesha-1 natural gas discovery once the block has been restored to the CY-OS/2 joint venture.

Background - Hardy is the operator of the CY-OS/2 exploration block and holds a 75 per cent participating interest, through its wholly owned subsidiary HEPI and Gas Authority of India Limited (GAIL) holds the remaining 25 per cent participating interest. The block is located in the northern part of the Cauvery Basin immediately offshore from Pondicherry, India and covers approximately 859 km^2. The licence comprises of two retained areas with the Ganesha-1 natural gas discovery located in the northern area, which comprises an area of approximately 300 km^2. Ganesha-1 – The natural gas discovery, announced in January 2007, was drilled to a depth of 4,089 m, encountering a sandstone reservoir within the Cretaceous section. The well flow tested at a peak rate of 10.7 mmscf/d. The Company published a competent person report, prepared by Gaffney, Cline & Associates, dated March 2011, which estimates gross 2C Contingent Resources of approximately 130 BCF.

A dispute between the GOI and Hardy was referred to arbitration under the PSC to a Hon'ble Tribunal consisting of three Arbitrators who were former Chief Justices of India. The Hon'ble Tribunal passed the arbitral award on 02 February 2013 at Kuala Lumpur, Malaysia. Award summary – The Hon'ble Tribunal has awarded and directed as follows:

a. The Ganesha-1 discovery made by Hardy and GAIL is non-associated natural gas;
b. The order of relinquishment by the Ministry of Petroleum and Natural Gas of the GOI was illegal, being on the erroneous impression that the discovery was oil;
c. That the parties shall be immediately relegated to the position in which they stood prior to the order of relinquishment and the block shall be restored to Hardy and GAIL;
d. Hardy shall be entitled to a period of three years from the date on which the block is restored to it, to carry out further appraisal;
e. MOPNG shall pay to Hardy and GAIL interest at the simple rate of 9 per cent per annum on the amount of Rs. 5.0 billion spent by them on the block, from the date of relinquishment till the date of the award.
f. From the date of award interest will accrue at a rate of 18 per cent per annum on the amount of Rs. 5.0 billion until such time as the block is restored to the parties (as at 30 September 2015 – US$48.1 million net to Hardy).

Schedule of Hearings – CY-OS/2 Arbitration Appeal Petition in the Delhi High Court

#	Date	Category	Outcome	Detail
0	02-Feb-13	Tribunal Award	Issued	Arbitral tribunal award in JV favour in Kuala Lumpur, Malaysia
1	19 Jul-13	Admission	Allowed	GOI appeal petition allowed and listed
2	18-Sep-13	Preliminary Hearing	Adjourned	Initial hearing - GOI Senior Counsel (ASG) unavailable
3	05-Dec-13	Hearing	Adjourned	Appeal Petition listed but due to busy roster of HC judge the matter was adjourned
4	08-May-14	Hearing	Adjourned	GOI requested an adjournment due to unavailability of ASG. HC adjourned the matter
5	28-Jul-14	Hearing	Adjourned	GOI requested an adjournment due to unavailability of ASG. HC adjourned the matter
6	27-Oct-14	Hearing	Adjourned	Arguments heard for GOI and Hardy. Hardy submitted a SC ruling to support contention of non-maintainability of appeal. ASG was not prepared regarding the SC ruling. HC adjourned the matter to allow GOI time to consider the noted SC ruling.
7	27-Nov-14	Hearing	Adjourned	Arguments presented by GOI and partially heard by the HC. HC adjourned the matter.
8	13-Jan-15	Hearing	Adjourned	HC judge adjourned due to lack of time and heavy case listing
9	09-Apr-15	Hearing	Adjourned	GOI requested an adjournment due to unavailability of ASG. HC adjourned the matter
10	09-Jul-15	Hearing	Dismissed / Withdrawn	GOI ASG withdrew appeal petition on grounds that territorial jurisdiction of HC is not maintainable. Appeal petition dismissed for reason of withdrawal by GOI.
11	21-Aug-15	Hearing	Adjourned	GOI Review Petition allowed by HC. GOI requested an adjournment due to unavailability of ASG. HC adjourned the matter
12	13-Oct-15	Hearing	Adjourned	GOI requested an adjournment due to unavailability of ASG. HC adjourned the matter

FINANCIAL REVIEW

In the six months ended 30 September 2015, the Group recorded a total comprehensive loss of $4.2 million which comprised of a cash loss of $1.5 million and a non-cash write-off of $2.7 million. As at 30 September 2015 the Company held total cash and short-term investments of $19.3 million with no debt.

Summary Statement of Comprehensive Income	**6 mth ended 30 Sept 2015 (unaudited) $ million**	6 mth ended 30 Sept 2014 (unaudited) $ million	FY2015 (audited) $ million
Unsuccessful Exploration			
No exploration took place in the six months ended 30 September 2015. Following the relinquishment of D3 in FY2015 the Group had expensed $22.1 million of exploration costs incurred in association with the drilling of gas discoveries on the D3 block. These expenses had previously been capitalised and recorded under Intangible asset – exploration.	**-**	0.0	(22.6)
Administrative expense			
The Group's underlying administrative expense remained relatively unchanged. The Administrative expense for the 6 months ended 30 September 2015 included an increase in foreign exchange charge of $0.3 million and a decrease in share based payment of $0.1 million	**(1.6)**	(1.7)	(3.8)
Interest and Investment Income			
Comprises primarily of accrued interest of the site restoration fund (SRF).	**0.2**	0.0	0.3
Finance cost			
The prior year finance cost is associated with a decommissioning provision charge incurred due to the unwinding of future value discounting. Having consideration for current market conditions further provision has not been made in the first half of FY2016	**-**	(0.1)	(0.2)
Taxation			
No current tax is payable for the 6 months ended 30 September 2015. The Group has incurred a deferred tax expense of $2.7 million as a result of the write-down of deferred tax asset due to the projected expiry of $5.9 million of carried forward business losses in India and a foreign exchange adjustment of $0.5 million. The deferred tax asset is expected to be realised with the recommencement of production from the PY-3 oil field.	**(2.7)**	0.4	1.7
Total Comprehensive loss			
The Group's comparable increase in total comprehensive loss is attributable to the write down of deferred tax asset.	**(4.2)**	(1.4)	(24.5)

Summary statement of financial position	30 Sept 2015 (unaudited) $ million	31 March 2015 (audited) $ million
Non-current assets		
Non-current assets comprises of $56.2 million for successful or work-in-progress exploration expenditure. PY-3 property plant and equipment of $5.8 million and SRF of $4.0 million, and deferred tax asset of $6.9 million. The decrease is attributable to a deferred tax credit write down of $2.7 million and $0.2 decrease in the SRF.	**73.0**	76.0
Current assets		
The Group's cash and short-term investments reduced by $1.7 million to $19.3 million. This is essentially due to the payment of general and administrative expenses. Trade and other receivables of $1.4 million represent amounts due to be recovered from joint arrangements operated by Hardy and accrued interest.	**21.9**	23.0
Non-current liabilities		
The Group's non-current liabilities are exclusively attributed to a decommissioning provision for the PY-3 asset. The provision has been estimated based on observed long term industry cost trends and remained unchanged. Management will look for evidence of a sustained reduction in industry costs prior to reviewing its underlying assumptions.	**5.6**	5.6
Current liabilities		
Trade and other accounts payable comprises of amounts due to vendors and other provisions	**5.0**	5.0

Summary Statement of Cash flows	**6 mth ended 30 Sept 2015 (unaudited) $ million**	6 mth ended 30 Sept 2014 (unaudited) $ million	FY2015 (audited) $ million
Cash Flow (used in) operating activities			
Cash used in operating activities comprised of $1.6 million (H1 FY2015 – $1.5 million) of administrative costs and a $0.4 million increase in debtors.	**(2.0)**	(1.8)	(3.5)
Investing activity			
The SRF incurred a foreign exchange loss of $0.2 million resulting from a drawdown of the SRF. The prior period use of cash of $0.1 million was primarily associated with the non-operated joint arrangement expenditure.	**0.2**	(0.1)	(0.2)
Financing activity			
Interest and investment income was nominal. Accrued SRF restoration fund interest is receivable on an annual basis.	**0.0**	0.0	0.4
Cash and Short-term Investments			
Sufficient resources are available to meet ongoing capital, operating and administrative expenditure. The Group has no debt.	**19.3**	22.9	21.0

Liquidity risk management and going concern

The Company closely monitors and manages its liquidity risk. Cash forecasts are regularly produced and sensitivities run for different scenarios including changes in timing of developments and cost overruns of our activity. At 30 September 2015, the Company had liquid resources of approximately $19.3 million, in the form of cash and short-term investments, which is available to meet ongoing capital, operating and administrative expenditure. The Company's forecasts, taking into account possible changes as described above, show that the Company will have sufficient financial resources for the 12 months from the date of approval of the Half Year Results Statement and Accounts for the 6 months ended 30 September 2015. At the present time, the Group does not have any debt.

PRINCIPAL RISKS AND UNCERTAINTIES

As an oil and gas exploration and production company with operations focused in India, Hardy is subject to a variety of risks and uncertainties. Managing risk effectively is a critical element of our corporate responsibility and underpins the safe delivery of our business plans and strategic objectives. The Group has a systematic approach to risk identification and management which combines the Board's assessment of risk with risk factors originating from and identified by the Group's senior management team. Risks are identified, assessed for materiality, documented, and monitored through a risk register with senior management involved in the process. Risks that are identified as high and/or trending upwards are noted and assigned to the Executive Director to monitor and, if possible, pro-actively mitigate. The risk register is a part of a dynamic database in which new risks may be added when identified or removed as they are eliminated or become immaterial. The Board has formed a sub-committee on risk which reports periodically to the Audit Committee. The Board is provided with regular updates of the identified principal risks at scheduled Board meetings.

Principal risks and uncertainties

The underlying risks and uncertainties inherent with Hardy's current business model have been grouped into four categories; strategic, financial, operational and compliance. The Board has identified principal risks and uncertainties for FY2016 and FY2017 and established clear policies and responsibilities to mitigate their possible negative impact on the business, a summary of which is provided below:

RISK OR UNCERTAINTY	MITIGATING ACTION
Strategic - The Group's strategy is predominantly driven by the appraisal, development and production of its existing assets in India. There are risks inherent in the exploration, appraisal, development and production of oil and gas reserves and resources.	
1. Asset portfolio over-weighted to long-cycle appraisal and development licences	Preferential allocation of resources to advance current discoveries to the development stage. Continually assessing acquisition opportunities, consistent with stated objectives, offering near term production increases.
2. Asset portfolio exclusively in one geopolitical region	Convey business constraints to accomplishing our objective via direct and open dialog with government officials, active participation in industry lobby groups including the Association of Oil and Gas Operators. The Group has experienced a persistently challenging business environment which has frustrated the achievement of key strategic objectives. It will not be reasonable to consider further investment in India until such time that we make tangible progress of our existing portfolio
Financial - Any volatility and further decreases in international crude oil prices or India natural gas prices could materially and adversely affect the Group's business, prospects, financial condition and results of operations. Other major financial risks facing the Company could be financing constraint for further exploration and development; cost inflation and overruns.	
1. Absence of PY-3 stakeholder approval for proposed development and appraisal programmes	Regular and proactive communication with stakeholders to identify and maintain an understanding of key agendas and constraints. Maintain sufficient working capital to allow for extended delays and maintain tight controls on overhead costs.

2.	GS-01 – Failure to secure the operator's interest in the block may result in deemed relinquishment of the block	Hardy has advised the GOI of its intent to continue with the asset and established a clear understanding with the operator to secure it interest upon resolution of the pending UMWP liability. The Group's intangible assets include an amount of $5.0 million with respect to exploration expenditure for the GS-01 block.
3.	CY-OS/2 – significant delay in enforcement of Tribunal award	Contracted local legal expertise to effectively apply India Law to ensure the enforcement of the International Tribunal's award. The Group's intangible assets include an amount of $51.0 million with respect to CY-OS/2. The Tribunal award provides for interest on investment amounting to $48.1 million as at 30 September 2015. Due to the uncertainty of the timing of enforcement this amount is treated as a Contingent Asset
4.	Liquidated damages for incomplete minimum work programmes	The Group has minimum work commitments on its exploration assets. The GS-01 and D9 blocks reached the end of their exploration phase with outstanding UMWP commitment. The Group makes provisions for estimated liquidated damages based on management's best estimate. The process of agreeing damages between the operator and GOI can take several years.

Operational – Offshore exploration and production activities by their nature involve significant risks. Risks such as delays in executing work programmes, construction and commissioning of production facilities or other technical difficulties, lack of access to key infrastructure, adverse weather conditions, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected geological formations, explosions and other acts of God are inherent to the business.

1.	Securing timely final approval for the PY-3 full field development plan	Proactive communication with partners to address individual interests and agendas. Clearly formulate and articulate mutual beneficial proposals. Mitigate expenditures prior to budget approvals.
2.	Loss of key staff and succession planning	The Company's ability to compete in the upstream oil and gas exploration and production industry is dependent on being able to retain and attract experienced technical personnel. Structured performance based remuneration practices and the promotion of a positive and rewarding work environment.

Compliance - The Group's current business is dependent on the continuing enforceability of the PSCs, farm-in agreements and exploration and development licences. The Group's core operational activities are dependent on securing various governmental approvals. Developments in politics, laws, regulations and/or general adverse public sentiment could compromise securing such approvals in the future.

1.	Regulatory and political environment in India	Develop sustainable relationships with governments and communities. Indian PSC includes fiscal stability clauses. Actively collaborate with industry groups to formulate and communicate interests to government authorities.
2.	Dispute resolution and legal process	Contract legal expertise in dispute resolution and enforcement practices

3.	Taxation and third party claims	Secured the services of leading professional and legal service providers. Proactive communication with taxation authorities to ensure queries are addressed and assessments are agreed or challenged as required.

RESPONSIBILITY STATEMENT

Each of the directors of the company confirms that to the best of his or her knowledge:

a. the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting”;

b. the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

c. the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein);

On behalf of the Board

Ian MacKenzie,
Chief Executive Officer
25 November 2015

INDEPENDENT REVIEW REPORT TO HARDY OIL AND GAS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the 6 months ended 30 September 2015 which comprises 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 and the related explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, as a body, in accordance with our instructions. Our review has been undertaken so that we might state to the company those matters we are required to state to them in a review 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, for our work, for this report, or for the opinions we have reached.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note one, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 6 months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Crowe Clark Whitehill LLP
Statutory Auditor

London
25 November 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 September 2015

	6 months ended 30 September 2015 US$ (Unaudited)	6 months ended 30 September 2014 US$ (Unaudited)	12 months ended 31 March 2015 US$ (Audited)
Continuing Operations			
Revenue	**-**	-	-
Cost of Sales			
Production costs	**-**	(66,135)	-
Unsuccessful exploration costs	**-**	-	(22,560,297)
Gross profit/ (loss)	**-**	(66,135)	(22,560,297)
Administrative expenses	**(1,626,168)**	(1,658,155)	(3,831,445)
Operating loss	**(1,626,168)**	(1,724,290)	(26,391,742)
Interest and investment income	**177,067**	40,295	393,131
Finance costs	**-**	(123,209)	(171,230)
Loss before taxation	**(1,449,101)**	(1,807,204)	(26,169,841)
Taxation	**(2,711,120)**	379,036	1,675,456
Total comprehensive loss for the period attributable to owners of the parent	**(4,160,221)**	(1,428,168)	(24,494,385)
Loss per share			
Basic & diluted	(0.11)	(0.02)	(0.33)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 30 September 2015

	Share capital US$	Share Premium US$	Shares to be issued US$	Retained earnings / (loss) US$	Total US$
At 1 April 2014	731,484	120,778,131	3,702,603	(12,475,951)	112,736,267
Total Comprehensive loss for the period	-	-	-	(1,428,168)	(1,428,168)
Share based payment	-	-	124,678	-	124,678
Adjustment of lapsed vested options	-	-	-	-	-
Restricted shares issued	-	-	-	-	-
At 30 September 2014 (Unaudited)	731,484	120,778,131	3,827,281	(13,904,119)	111,432,777
At 1 April 2014	731,484	120,778,131	3,702,603	(12,475,951)	112,736,267
Total Comprehensive loss for the period	-	-	-	(24,494,385)	(24,494,385)
Share based payment	-	-	355,904	-	355,904
Share Based payments – Forex adjustment	-	-	(389,441)	-	(389,441)
Restricted shares issued	1,830	82,500	-	-	84,330
At 31 March 2015 (Audited)	733,314	120,860,631	3,669,066	(36,970,336)	88,292,675
At 1 April 2015	**733,314**	**120,860,631**	**3,669,066**	**(36,970,336)**	88,292,675
Total Comprehensive loss for the period	**-**	**-**	**-**	**(4,160,221)**	**(4,160,221)**
Share based payment	**-**	**-**	**43,955**	**-**	**43,955**
Adjustment of lapsed vested options	**-**	**-**	**(2,095,606)**	**2,095,606**	**-**
Restricted shares issued	**-**	**-**	**-**	**-**	**-**
At 30 September 2015 (Unaudited)	**733,314**	**120,860,631**	**1,617,415**	**(39,034,951)**	**84,176,409**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	30 September 2015 US$ (Unaudited)	30 September 2014 US$ (Unaudited)	31 March 2015 US$ (Audited)
Assets			
Non-Current assets			
Property, plant and equipment	**5,815,012**	5,825,173	5,820,048
Intangible assets	**56,180,269**	78,129,634	56,175,450
Site restoration deposits	**4,040,926**	3,962,770	4,285,515
Deferred tax asset	**6,961,872**	8,376,572	9,672,992
Total non-current assets	**72,998,079**	96,294,149	75,954,005
Current assets			
Inventories	**1,164,988**	1,689,947	1,164,988
Trade and other receivables	**1,393,409**	710,041	829,600
Short-term investments	**16,090,811**	19,407,850	17,763,245
Cash and cash equivalents	**3,205,386**	3,485,442	3,267,097
Total current assets	**21,854,594**	25,293,280	23,024,930
Total assets	**94,852,673**	121,587,429	98,978,935
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	**733,314**	731,484	733,314
Share premium	**120,860,631**	120,778,131	120,860,631
Shares to be issued	**1,617,415**	3,827,281	3,669,066
Retained loss	**(39,034,951)**	(13,904,119)	(36,970,336)
Total equity	**84,176,409**	111,432,777	88,292,675
Non-current liabilities			
Provision for decommissioning	**5,644,478**	5,600,550	5,644,478
Current liabilities			
Trade and other payables	**5,031,786**	4,554,102	5,041,782
Total current liabilities	**5,031,786**	4,554,102	5,041,782
Total liabilities	**10,676,264**	10,154,652	10,686,260
Total equity and liabilities	**94,852,673**	121,587,429	98,978,935

Approved and authorised for issue by the Board of Directors on 25 November, 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 September 2015

	6 months ended 30 September 2015 US$ (Unaudited)	6 months ended 30 September 2014 US$ (Unaudited)	12 months ended 31 March 2015 US$ (Audited)
Operating activities			
Operating loss	**(1,626,168)**	(1,724,290)	(26,391,742)
Unsuccessful exploration costs	**-**	-	22,560,297
Depletion and depreciation	**18,364**	17,094	40,800
Share-based payments	**43,955**	212,592	211,247
Decrease / (increase) in inventory	**-**	-	524,959
Decrease / (increase) in trade and other receivables	**(409,283)**	115,081	(77,651)
(Decrease) / increase in trade and other payables	**(9,996)**	(430,053)	(405,023)
Cash flow (used in) operating activities	**(1,983,128)**	(1,809,576)	(3,537,113)
Taxation refund	**18,550**	1,018	1,635
Net Cash (used in) operating activities	**(1,964,578)**	(1,808,558)	(3,535,478)
Investing activities			
Expenditure on intangible assets – exploration	**-**	(80,128)	(223,584)
Expenditure on intangible assets - others	**(5,182)**	-	-
Expenditure on other fixed assets	**(12,963)**	(2,239)	(20,820)
Site restoration deposit	**244,589**	121,006	(201,739)
Realised from short term investments	**1,672,434**	1,244,530	2,889,135
Net cash from investing activities	**1,898,878**	1,283,169	2,442,992
Financing activities			
Interest and investment income	**3,989**	41,510	394,355
Financial costs	**-**	(35,353)	(39,446)
Net cash from financing activities	**3,989**	6,157	354,909
Net increase / (decrease) in cash and cash equivalents	**(61,711)**	(519,232)	(737,577)
Cash and cash equivalents at the beginning of the period	3,267,097	4,004,674	4,004,674
Cash and cash equivalents at the end of the period	**3,205,386**	3,485,442	3,267,097

1. Accounting Policies

i) Basis of preparation

These interim consolidated financial statements are for the six months ended 30 September 2015 and have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Statements*". The accounting policies applied are consistent with International Financial Reporting Standards (IFRS) adopted for use by the European Union. The accounting policies and methods of computation used in the interim consolidated financial statements are consistent with those used in the Company's Annual Report for 2015 and are expected to be applied for the year ended 31 March 2016.

ii) Cyclicality

The interim results for the six months ended 30 September 2015 are not necessarily indicative of the results to be expected for the financial year 2016. The operations of Hardy Oil and Gas plc are not affected by seasonal variations.

iii) Full year comparative information in interim results

The financial information for the year ended 31 March 2015 does not constitute the company's statutory accounts for that year, but is derived from those accounts. Statutory accounts for 2015 are available at the company's website. The auditors reported on those accounts and their report was unmodified.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2015.

2. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are addressed below:

i) Intangible assets - exploration

Hardy has been awarded costs and interest after the conclusion of the arbitration on the CY-OS/2 block, in which it holds a 75 per cent participating interest. Hardy's share of these awards totals approximately $48.1 million and has been disclosed as a contingent asset. This is regarded as a significant area of judgment and full details are disclosed in note 7 to these financial statements.

ii) Decommissioning

The liability for decommissioning is updated to the current cost estimates of decommissioning. Accordingly, the provision made in the books will reflect the risk free discounted future cost for decommissioning and this is an annual adjustment based on the changes in costs as a result of technical advancements and other factors.

iii) Deferred Tax Asset

The deferred tax asset will be realised with the recommencement of production from PY-3 field and also from the production of oil and gas from those areas which are available for commercial development. Further details are contained in note 4.

iv) Depletion

Depletion is based on best estimates of commercial reserves existing as at the balance sheet date. The determination of commercial reserves is based on assumptions which include those relating to the future prices of crude oil and natural gas, capital expenditure plans, cost of production and other factors.

3. Segment analysis

The Group is organised into two business units as at end of the year: India and United Kingdom. The India business unit is operated by the wholly owned subsidiary, Hardy Exploration & Production (India) Inc. and Hardy Oil and Gas plc operates in the United Kingdom.

The India business unit focuses on exploration and production of oil and gas assets in India. The United Kingdom business unit is the holding company. Management monitors these business units separately for resource allocation, decision making and performance assessment.

	September 2015 US$			
	India	UK	Inter-segment eliminations	Total
Revenue				
Other income	-	-	-	-
Operating loss	(557,754)	(1,068,414)	-	(1,626,168)
Interest income	173,787	3,280	-	177,067
Interest income on inter-corporate loan	-	580,825	(580,825)	-
Finance costs	-	-	-	-
Interest expense on inter-corporate loan	(580,825)	-	580,825	-
Loss before taxation	(964,792)	(484,309)	-	(1,449,101)
Taxation	(2,805,464)	94,344	-	(2,711,120)
Loss for the period	(3,770,256)	(389,965)	-	(4,160,221)
Segment assets	79,463,282	15,389,391	-	94,852,673
Inter-corporate loan	-	108,027,725	(108,027,726)	-
Segment liabilities	(10,520,364)	(155,900)	-	(10,676,264)
Inter-corporate borrowings	(108,027,725)	-	108,027,725	-
Capital expenditure	(12,963)	-	-	(12,963)
Unsuccessful exploration costs	-	-	-	-
Depreciation, depletion and amortisation	(1,887)	(16,477)	-	(18,364)

Segment analysis (cont'd)

	September 2014 US$			
	India	**UK**	**Inter-segment eliminations**	**Total**
Revenue				
Other income	-	-	-	-
Operating loss	(360,106)	(1,364,184)	-	(1,724,290)
Interest income	34,825	5,470	-	40,295
Interest income on inter-corporate loan	-	554,574	(554,574)	-
Finance costs	(123,209)	-	-	(123,209)
Interest expense on inter-corporate loan	(554,574)	-	554,574	-
Loss before taxation	(1,003,064)	(804,140)	-	(1,807,204)
Taxation	209,921	169,115	-	379,036
Loss for the period	(793,143)	(635,025)	-	(1,428,168)
Segment assets	102,731,458	18,855,971	-	121,587,429
Inter-corporate loan	-	105,345,899	(105,345,899)	-
Segment liabilities	(10,047,299)	(107,353)	-	(10,154,652)
Inter-corporate borrowings	(105,345,899)	-	105,345,899	-
Capital expenditure	82,367	-	-	82,367
Depreciation, depletion and amortisation	(890)	(16,204)	-	(17,094)

Segment analysis (cont'd)

	2015 US$			
	India	**UK**	**Inter-segment eliminations**	**Total**
Revenue				
Other income	**-**	**-**	**-**	**-**
Operating loss	(23,936,596)	(2,455,146)	-	(26,391,742)
Interest income	382,265	10,866	-	393,131
Interest income on inter-corporate loan	-	1,117,150	(1,117,150)	-
Finance costs	(171,230)	-	-	(171,230)
Interest expense on inter-corporate loan	(1,117,150)	-	1,117,150	-
Loss before taxation	(24,842,711)	(1,327,130)	-	(26,169,841)
Taxation	1,380,070	295,386	-	1,675,456
Loss for the period	(23,462,641)	(1,031,744)	-	(24,494,385)
Segment assets	81,870,624	17,108,311	-	98,978,935
Inter-corporate loan	-	106,682,121	(106,682,121)	-
Segment liabilities	(10,514,696)	(171,564)	-	(10,686,260)
Inter-corporate borrowings	(106,682,121)	-	106,682,121	-
Capital expenditure	227,087	17,317	-	244,404
Unsuccessful exploration costs	(22,560,297)	-	-	(22,560,297)
Depreciation, depletion and amortisation	(2,262)	(38,538)	-	(40,800)

The Group is engaged in one business activity, the exploration, development and production of oil and gas. Other income relates to technical services to third parties, overhead recovery from joint venture operations and miscellaneous receipts, if any. Revenue arises from the sale of oil produced from the contract area PY-3 India and the revenue by destination is not materially different from the revenue by origin.

4. Taxation

Analysis of taxation (credit) for the period

	Sep 2015 US$	**Sep 2014 US$**	**Mar 2015 US$**
Current tax charge			
UK corporation Tax	**-**	**-**	-
Foreign Tax – India	**-**	**-**	-
Minimum alternate tax	**-**	**-**	-
Foreign tax – USA	**-**	**-**	-
Total current tax (credit)	**-**	**-**	-
Deferred tax charge (credit)	**2,711,120**	**(379,036)**	**(1,675,456)**
Taxation charge (credit)	**2,711,120**	**(379,036)**	**(1,675,456)**

Indian operations of the Group are subject to a tax rate of 42 per cent which is higher than UK and US corporations tax rates. To the extent that the Indian profits are taxable in the US and/or the UK, those territories should provide relief for Indian taxes paid, principally under the provisions of double taxation agreements. When considering deferred tax assets the Group considers the highest and best use of the carried forward business losses available, this is considered to be in India (2014: UK).

Based on the current expenditure plans, the Group anticipates that the tax allowances will continue to exceed the depletion charge of each year, though the timing of related tax relief is uncertain.

India tax law stipulates that Business Losses can be carried forward for a maximum of 8 years. The Company has revised the projected timing of recommencement of PY-3 production resulting in certain carried forward Business Losses now projected to expire. As a result the Group's Deferred Tax asset has been written down by $2,477,332. The Group's carried forward Business Losses are denominated in Indian Rupee. The depreciation of the India Rupee to US dollar has resulted in a $421,388 write down. Unwinding of interim group relief amounted to a deferred tax credit of $187,601.

The deferred tax asset will be realised upon production from the PY-3 field which Management expect to recommence during 2017.

The tax charge of $2,711,120 in the period arises due to a reassessment of the availability of tax losses and a reduction in the carrying value of the deferred tax asset.

5. Loss per share

Loss per share is calculated on a loss of US$ 4,160,221 for the six months ended 30 September 2015 (September 2014: US$1,428,168) on a weighted average of 36,766,125 Ordinary Shares for the six months ended 30 September 2015 (September 2014: 73,148,416). No diluted loss per share is calculated.

6. Property, plant and equipment

	Oil and gas assets US$	Other fixed assets US$	Total US$
Cost			
At 1 April 2014	35,465,279	1,780,255	37,245,534
Additions	-	2,239	2,239
Deletions	-	-	-
At 30 September 2014	**35,465,279**	**1,782,494**	**37,247,773**
At 1 April 2015	35,465,279	1,800,361	37,265,640
Additions	-	12,963	12,963
Deletions	-	-	-
At 30 September 2015	**35,465,279**	**1,813,324**	**37,278,603**
Depletion, Depreciation and amortisation			
At 1 April 2014	29,684,318	1,721,188	31,405,506
Charge for the period	-	17,094	17,094
At 30 September 2014	**29,684,318**	**1,738,282**	**31,422,600**
At 1 April 2015	29,684,318	1,761,274	31,445,592
Charge for the period	-	17,999	17,999
At 30 September 2015	**29,684,318**	**1,779,273**	**31,463,591**
Net book value at 30 September 2015	**5,780,961**	**34,051**	**5,815,012**
Net book value at 30 September 2014	5,780,961	44,212	5,825,173

7. Intangible assets

	India US$
Costs and net book value	
At 1 April 2014	78,049,506
Additions	80,128
At 30 September 2014	**78,129,634**
At 1 April 2015	56,175,450
Additions (net off depletion)	4,819
At 30 September 2015	**56,180,269**

The details of the intangible assets stated above are as follows:

	US$
Exploration expenditure – block CY-OS/2	51,128,272
Exploration expenditure – block GS-01	5,047,178
Software	4,819
Total	**56,180,269**

Legal proceedings concerning block CY-OS/2

In March 2009, Hardy were informed by the Government of India that the block CY-OS/2, in which Hardy holds a 75 per cent participating interest, was relinquished as Hardy had failed to declare commerciality within the two years from the date of discovery which is applicable to an oil discovery. Hardy disputed this ruling believing that the discovery was a gas discovery and consequently that it was entitled to a period of five years from the date of discovery to declare commerciality. As no agreement was reached the dispute was referred to arbitration under the terms of the PSC.

The arbitrators ruled on 2 February 2013 that the discovery was a gas discovery and consequently that the order for the relinquishment of the block was illegal. The arbitrators have ordered the Government of India to restore the block to Hardy and its partners and to allow them a period of three years from the date of restoration to complete the appraisal programme. In addition, the arbitrators awarded costs of $0.2 million and interest on the exploration expenditure incurred to date. As at 30 September 2015, Hardy’s 75 per cent share of the interest awarded is approximately $48.1 million. On 2 August 2013 the Government of India filed an appeal, against the arbitration award, with the High Court Delhi, which was dismissed as withdrawn by the High Court of Delhi on 9 July, 2015. The Government of India has filed a review petition on 9 August, 2015. The Company has filed an execution petition before the High Court Delhi. The next hearing is scheduled in December 2015.

The Company believes that the unanimous international tribunal award is well reasoned and, based upon external legal advice that the award may not be subject to appeal in the Indian courts as per the India Arbitration and Conciliation Act 1996.

Impairment of block D3

On 23 December 2014, Management Committee of Block D3 approved a proposal from the operator of the D3 block, in which the Group holds 10 per cent interest, for the relinquishment of the block. The proposal set out that as per the Government of India (GOI) Notification O-22013/27/2012-ONG-D-V dated 10 November 2014, access restrictions have been imposed by the GOI and the Operator recommended the relinquishment of the block with immediate effect under clause 3.1 (a), and (e) and 3.2, of the referenced Government Policy.

The relinquishment of the block has released Hardy from any further work programme liability including any further financial liability related to unfinished Minimum Work Programme penalties. $22,097,640 of the Company's Intangible Assets, which are attributable to the D3 block, have been written off in the financial year 2015.

8. Share capital

The Company has authorised share capital of 200 million US$ 0.01 ordinary shares. Changes in issued and fully paid ordinary shares during the six months ended 30 September 2015 are as follows:

	Number US$ 0.01 Ordinary shares	**US$**
Beginning of the period	73,148,416	731,484
Share options exercised during the period	-	-
Restricted shares issued during the period	-	-

9. Share Options

Changes in outstanding share options during the six months ended 30 September 2015 are summarised below:

	Number of options	**Weighted average price £**
Outstanding at beginning of the period	3,419,933	1.98
Outstanding at the end of the period	1,874,000	4.57
Exercisable at the end of period	330,000	3.69

Detail regarding the estimated fair value of granted share options has been set out in note 9 (page 59) of the Company's 2015 Annual Report and Accounts.

10. Contingent liabilities

Liquidated Damages

The Group has minimum work commitments associated with various exploration licences granted by sovereign authorities through joint arrangements. A number of these commitments have not been fulfilled and as a consequence the Group is liable to pay liquidated damages. When a liquidated damage payment is probable a provision is created based on management's best judgement. In some instances there may be a high degree of uncertainty. In such instances an additional contingent liability is recognised. Currently a contingent liability estimated at $1.7 million associated with unfinished minimum work programme liquidated damages. Management do not expect this to be resolved in the next twelve months.

Litigation

In the normal course of business the Group may be involved in legal disputes which may give rise to claims. Provision is made in the financial statements for all claims where a cash outflow is considered probable. No separate disclosure is made of the detail of claims as to do so could seriously prejudice the position of the Group.

11. Dividends

The Board of Directors do not recommend the payment of an interim dividend for the period ended 30 September 2015.

12. Approval of interim Consolidated Financial Statements

These interim consolidated financial statements have been approved by the Board of Directors on 25 November 2015.

GLOSSARY OF TERMS

2C Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
$	United States Dollar
API°	American Petroleum Institute gravity
ASG	Additional Solicitor General of India a law officer of India and is the third ranking lawyer of the Government of India
bbld	stock tank barrel per day
BCF	Billion cubic feet
CY-OS/2	Offshore exploration licence CY-OS/2 located on the east coast of India
D3	Exploration licence KG-DWN-2003/1 (relinquished in FY2015)
DGH	Directorate General of Hydrocarbons a department of the MOPNG
Dhirubhai 33	gas discovery on GS-01-B1 announced on 15 May 2007
DOC	Declaration of Commerciality
FFDP	comprehensive full field development plan
FY	Financial year ended 31 March
GAIL	Gas Authority of India Limited
Ganesha-1	Non-associated natural gas discovery on Fan-A1 well located in CY-OS/2
GOI	Government of India
GS-01	Exploration licence GS-OSN-2000/1
H1	First half of the fiscal year or the six months ended 30 September
Hardy	Hardy Oil and Gas plc
HC	Delhi High Court of India
HEPI	Hardy Exploration & Production (India) Inc
HSE	Health Safety and Environment
km	kilometre
km^2	square kilometre
LD	Liquidated damages
LSE	London Stock Exchange
m	metre
MC	Management committee – which is the composite authority to approve budgets and work programmes within the provision of PSC's. Membership includes the participating interest holders and GOI officials.
mmscfd	million standard cubic feet per day
mmscmd	million standard cubic metres per day
MOPNG	the Ministry of Petroleum and Natural Gas of the Government of India
UMWP	Unfinished minimum work programme – a biddable commitment to the GOI to undertake certain field operations in consideration of the award of exploration rights to a defined area.
NANG	non associated natural gas
OC	Operating Committee – a committee comprising of participating interest holders in PSC's. The committee is charged with establishing work programmes and budgets to be recommended to the MC
ONGC	Oil & Natural Gas Corporation
Prospective Resources	those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
PSC	production sharing contract
psi	pounds per square inch
PY-3	licence CY-OS-90/1
Reliance	Reliance Industries Limited
Rs.	Indian rupee
SRF	Site restoration fund
the Company	Hardy Oil and Gas plc
the Group	Hardy Oil and Gas plc and Hardy Exploration & Production (India) Inc.

NOTES TO THE EDITORS

Hardy Oil and Gas plc is an upstream oil and gas company focused in India. Its portfolio includes a blend of exploration, appraisal, and production assets. Hardy's goal is to evaluate and exploit its asset base with a view to creating significant value for its shareholders.

Hardy Oil and Gas plc is the operator of the PY-3 oil field (shut-in July 2011) located offshore India's east coast in the Cauvery basin. Hardy also has interests in two offshore exploration blocks in India's Saurashtra, Cauvery, and Krishna Godavari basins.

Hardy is incorporated under the laws of the Isle of Man and headquartered in Aberdeen, UK. Ordinary shares of Hardy were admitted to the Official List and the London Stock Exchange's market for listed securities effective 20 February 2008 under the symbol HDY.

The Company's Indian assets are held through the wholly owned subsidiary Hardy Exploration & Production (India) Inc, which had a project office located in Chennai, India.

For further information please refer to our website at www.hardyoil.com

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