

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriate adviser.**

If you have sold or otherwise transferred all of your ordinary shares in Hardy Oil and Gas Plc (the 'Company'), please forward this document and the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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# **HARDY OIL AND GAS PLC**

(Incorporated in the Isle of Man with registered no. 087462C)

## **NOTICE OF 2011 ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of the Company to be held at the office of Buchanan Communications, 107 Cheapside, London EC2V 6DU on 11 May 2011 at 10.00 am is set out on pages 5 and 6 of this document. A form of proxy is also attached at the end of this document for use at the Annual General Meeting. Proxy forms should be completed and returned to the Company's registered office, Fort Anne, Douglas, Isle of Man IM1 5PD as soon as possible and, in any event, so as to be received not later than 48 hours before the time fixed for the Annual General Meeting, being 10.00 am on 9 May 2011.

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# HARDY OIL AND GAS PLC

(Incorporated in the Isle of Man with registered no. 087462C)

Directors:  
Paul Mortimer (Non-Executive Chairman)  
Yogeshwar Sharma (Chief Executive Officer)  
Dinesh Dattani (Finance Director)  
Carol Bell (Senior Non-Executive Director)  
Pradip Shah (Non-Executive Director)  
Ian Bruce (Non-Executive Director)

Registered Office:  
Fort Anne  
Douglas  
Isle of Man  
IM1 5PD

6 April 2011

Dear Shareholder,

## 2011 ANNUAL GENERAL MEETING

I am writing to give you details of the resolutions to be proposed at this year's Annual General Meeting to be held at the office of Buchanan Communications, 107 Cheapside, London EC2V 6DU on 11 May 2011 at 10.00 am and which are set out in the notice of Annual General Meeting on pages 5 and 6 of this document.

Shareholders should read the contents of this document in conjunction with the audited annual accounts of the Company for the financial year ended 31 December 2010, together with the reports of the Directors and Auditors thereon enclosed with this document.

## ANNUAL GENERAL MEETING

The following resolutions will be proposed at this year's Annual General Meeting:

### Resolutions numbered 1–7 – 'Ordinary Business'

Resolutions numbered 1–7 to be proposed at the Annual General Meeting are all 'ordinary business' and will each be proposed as an ordinary resolution as follows:

1. the receipt and adoption of the audited annual accounts of the Company for the financial year ended 31 December 2010, together with the reports of the Directors and Auditors thereon;
2. the approval of the Directors' Remuneration Report for the financial year ended 31 December 2010;
3. the re-election of Paul Mortimer, who, having been a Non-Executive Director for more than nine years, submits himself for re-election as a Director in accordance with the guidance provided by the Combined Code on Corporate Governance;
4. the re-election of Pradip Shah, who, having been a Non-Executive Director for more than nine years, submits himself for re-election as a Director in accordance with the guidance provided by the Combined Code on Corporate Governance;
5. the re-election of Yogeshwar Sharma, who retires by rotation as a Director under Article 87.1 of the Company's Articles of Association and, being eligible, offers himself for re-election as a Director at the Annual General Meeting;
6. the re-election of Ian Bruce, who retires by rotation as a Director under Article 87.1 of the Company's Articles of Association and, being eligible, offers herself for re-election as a Director at the Annual General Meeting;
7. the re-appointment of Crowe Clark Whitehill LLP (formerly Horwath Clark Whitehill LLP) as auditors of the Company and the authorisation of the Directors to determine the auditors' remuneration.

### Re-election of Directors

Biographical details for each of Mr Paul Mortimer, Mr Yogeshwar Sharma, Mr Pradip Shah and Mr Ian Bruce are set out on pages 28 to 29 of the annual report.

Mr Mortimer, Mr Shah and Mr Bruce have entered into engagement letters with the Company in respect of their appointments as Non-Executive Directors. The appointments are subject to termination upon at least three months' notice by either party.

Mr Sharma has entered into a service agreement as an Executive Director with the Company pursuant to which his engagement is subject to termination upon 6 months' notice by either party.

Mr Mortimer and Mr Shah have served as Directors for more than nine years. Mr Mortimer is the Company's Non-Executive Chairman. Mr Shah chairs the Company's Remuneration Committee. Both Mr Shah and Mr Bruce are Non-Executive Directors of the Company. The Board of Directors believes that the contribution being made by all the Directors continues to be invaluable and are satisfied that they conduct themselves in an appropriate manner in the best interest of shareholders. The Board of Directors is satisfied that the performance of all of the Directors continues to be effective and is also satisfied as to their commitment to their role as Directors.

## **Resolutions numbered 8 'Special Business'**

Resolution numbered 8 is 'special business' of the Annual General Meeting which is to be proposed as a special resolution.

Resolution number 8 seeks approval with respect to the disapplication of the provisions of Article 5.1 of the Articles of Association. This will allow the Company to issue up to 3,597,225 Ordinary Shares for cash, which represents five per cent. of the issued share capital of the Company as at the date of this document.

## **Action to be taken in respect of Annual General Meeting**

Shareholders will find enclosed with this document a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy so as to reach the Company's registered office at Fort Anne, Douglas, Isle of Man IM1 5PD as soon as possible and, in any event, not later than 48 hours before the time appointed for the Annual General Meeting, being 10.00 am on 9 May 2011.

Completion and return of a form of proxy will not, however, prevent you from attending at the Annual General Meeting and voting in person if you should wish to do so.

## **RECOMMENDATION**

Your Directors are unanimously in favour of resolutions numbered 1-8 (inclusive) to be proposed at this year's Annual General Meeting, which they consider to be in the best interests of the shareholders of the Company as a whole. Accordingly, your Directors unanimously recommend shareholders to vote in favour of those resolutions at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings of an aggregate of 6,167,867 Ordinary Shares (representing 8.55 per cent of the issued ordinary share capital of the Company at the date of this notice).

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Mortimer', with a horizontal line underneath.

**Paul Mortimer**  
Chairman

# HARDY OIL AND GAS PLC

(registered in Isle of Man with registered no. 087462C)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **ANNUAL GENERAL MEETING** of the Company will be held at the office of Buchanan Communications, 107 Cheapside, London EC2V 6DU at 10.00 am on 11 May 2011 for the following purposes:

### Ordinary Business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. to receive and adopt the Company's annual accounts for the financial year ended 31 December 2010 together with the Directors' Report and Auditors' Report on those accounts;
2. to approve the Directors' Remuneration Report for the financial year ended 31 December 2010;
3. to re-elect Paul Mortimer as a Director of the Company;
4. to re-elect Yogeshwar Sharma as a Director of the Company;
5. to re-elect Pradip Shah as a Director of the Company;
6. to re-elect Ian Bruce as a Director of the Company; and
7. to reappoint Crowe Clark Whitehill LLP (formerly Horwath Clark Whitehill LLP) as Auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company, at a remuneration to be determined by the Directors of the Company.

### Special Business

To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

8. to approve the disapplication of the provisions of Article 5.1 of the Articles of Association of the Company to the issue of up to an aggregate number of 3,597,225 Ordinary Shares which represents five per cent of the issued share capital of the Company at the date of this notice, at such prices, to such persons, on such terms and at such times as the Directors of the Company may from time to time determine in their discretion, such disapplication to expire on the earlier of the next Annual General Meeting of the Company and 15 months after the date on which this resolution is passed.

By order of the Board



**R V Vanderplank**

Company Secretary

6 April 2011

**Notes:**

1. A member of the Company entitled to attend and vote at the above-mentioned meeting is entitled to appoint another person as his proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
2. To be effective, forms of proxy must be lodged at the Company's registered office, Fort Anne, Douglas, Isle of Man IM1 5PD, not later than 10.00 am on 9 May 2011. Lodgement of a form of proxy will not prevent a member from attending and voting in person.
3. As at the close of business on the date immediately preceding this notice the Company's issued share capital comprised 71,944,504 Ordinary Shares. Each Ordinary Share carries the right to one vote at the Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at the close of business on the date immediately preceding this notice is 71,944,504.
4. Copies of the Directors service contracts and letters of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturday excepted) from the date of this document until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.