



Hardy Oil and Gas plc

+explore

+enhance

+execute

2007 Preliminary Results

Presentation Team

- Sastry Karra Chief Executive
- Dinesh Dattani Finance Director
- Yogeshwar Sharma Chief Operating Officer



Capital Structure

| | |
|--------------------------------------|----------------|
| Trading symbol | HDY |
| Shares outstanding | 62.3 million |
| Options outstanding | 4.4 million |
| Fully diluted | 66.7 million |
| Average daily volume | 0.1 million |
| Current market capitalisation | ~ £500 million |
| Directors and senior managers | 24% |



Operational Highlights

2007

- Announced discoveries on CY-OS/2 (Ganesha) and GS-01 (Dhirubhai 33)
- Acquired additional 2,800 km² of 3D seismic data on D3
- Conducted a successful production flow test of the Oza-4 well
- Gross operated production 4,150 stbd (2006: 5,811 stbd)

2008 to date

- Two discoveries on D3 (Dhirubhai 39 and 41)
- Granted onshore petroleum exploration licence AS-OON-2000/1, located in Assam
- Acquired a further 1,100 km² 3D seismic data on GS-01
- Farmed out of a portion of Oza field to fund the field development programme
- Moved to the Official List and entered FTSE 250 index



Financial Highlights

- Net profit of **\$8.3 million** (2006: \$10.2 million)
 - Includes after-tax gain of \$7.4 million from sale of equity investment
- Capital expenditure of **\$32.2 million** (2006: \$51.6 million)
- Cash and cash equivalent at 31 December 2007 of **\$31.2 million** (2006: \$24.5 million)
- Placement of equity shares in June 2007 raising **\$40.2 million** (2006: \$24.5 million)



Group Income Statement

| US\$ million | 2007 | 2006 |
|---------------------------------|-------|-------|
| Average oil sales (stbd) | 638 | 1,050 |
| Average price realised (\$/stb) | 66.65 | 64.82 |
| Revenue | 11.8 | 21.3 |
| Operating profit | (0.8) | 11.4 |
| Net profit | 8.3 | 10.2 |
| Diluted earnings per share \$ | 0.13 | 0.17 |



Group Balance Sheet

| US\$ million | 31 Dec 2007 | 31 Dec 2006 |
|-------------------------|----------------|----------------|
| Assets | | |
| Non-current assets | 121.4 | 89.1 |
| Current assets | 48.4 | 31.9 |
| Liabilities | | |
| Current liabilities | 9.9 | 16.8 |
| Non-current liabilities | 15.9 | 12.8 |
| Net assets | 144.0 | 91.4 |



Group Cash Flow Statement

| US\$ million | 2007 | 2006 |
|---------------------------|--------|--------|
| Operating activities | (1.8) | 23.8 |
| Investing activities | (32.8) | (57.2) |
| Financing activities | 41.3 | 26.6 |
| Net change in cash | 6.7 | (6.7) |
| Cash at beginning of year | 24.5 | 31.2 |
| Cash at end of year | 31.2 | 24.5 |

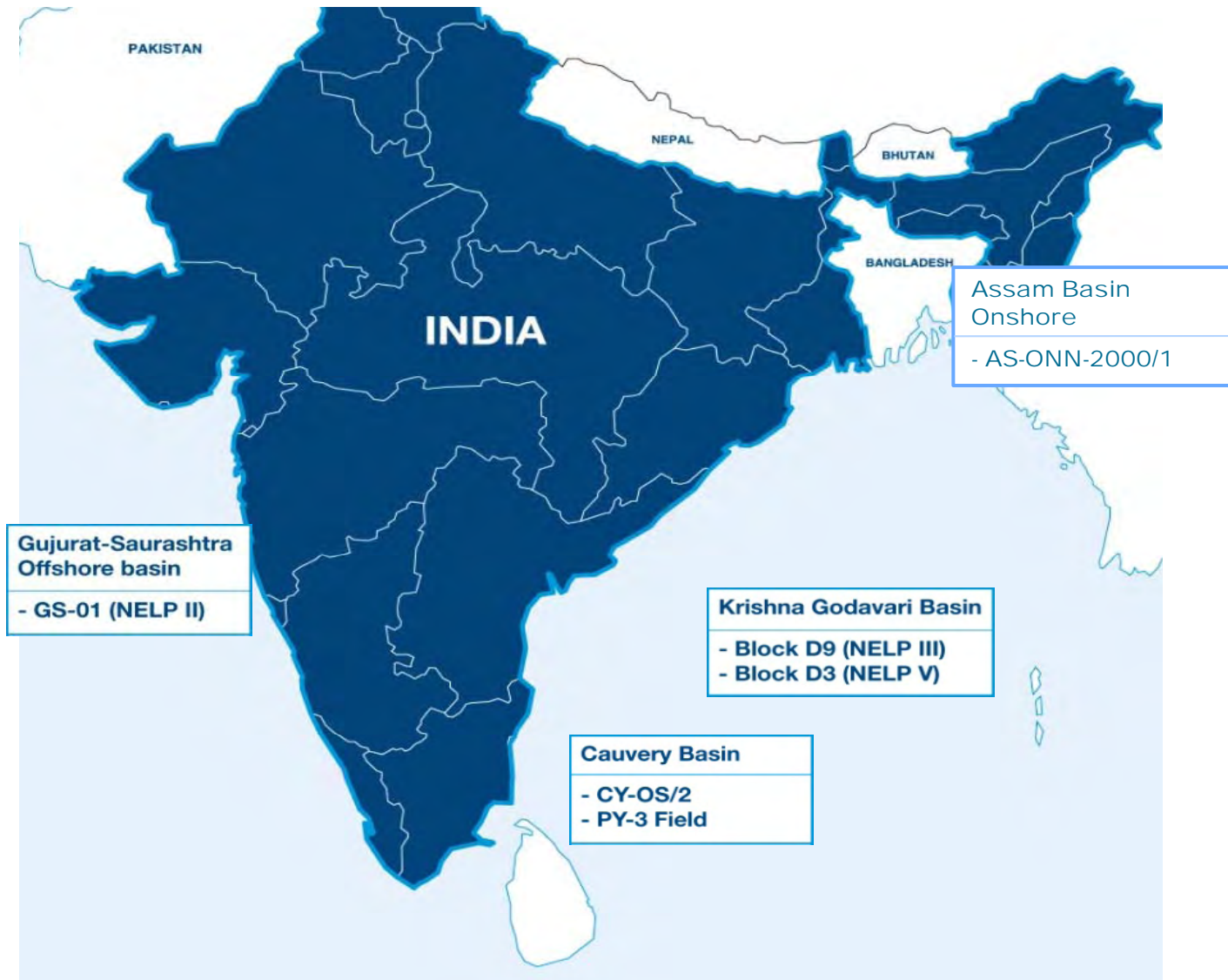


Focused High Potential Portfolio

| Asset | PI | Operator | 2007 Operations | 2008 Programme |
|-----------------|-----|-----------|--|---|
| PY-3 | 18% | Hardy | Production | Production |
| CY-OS/2 | 75% | Hardy | Drilled one well | G&G studies Drill 2-3 wells |
| GS-O1 (NELP II) | 10% | Reliance | Drilled one well | Acquire 3D (1,000km ²) Drill 3 wells |
| D9 (NELP III) | 10% | Reliance | Locations identified | Drill 1 well |
| D3 (NELP V) | 10% | Reliance | Acquired 2,800km ² of 3D seismic | Acquire 3D (1,200km ²) Drill 2 wells |
| Assam (NELP II) | 10% | Reliance | - | Granted in 2008 Acquire 2D (500 lkm) |
| Oza | 20% | Millenium | Conducted well test | Farmout 20% Install pipeline |
| Atala | 20% | Bayelsa | Seismic interpretation | Secure rig |



INDIA - Operations



Producing Asset - PY3

Background

- Hardy operated field in the Cauvery Basin, 80 km south of Pondicherry
- Hardy's participating interest is 18 %
- Implemented water flood in 2003 to enhance recovery
- 2 further wells expected to commence drilling in Q1 2009



Highlights

- 2007 Gross daily production averaged 4,150 stbd (2006:5,811 stbd)
- Current production of 3,050 stbd, average production for 2008 forecast at 2,700 stbd
- Production facilities (FPO - Tahara & FSO - Endeavour) contract extension to July 2009



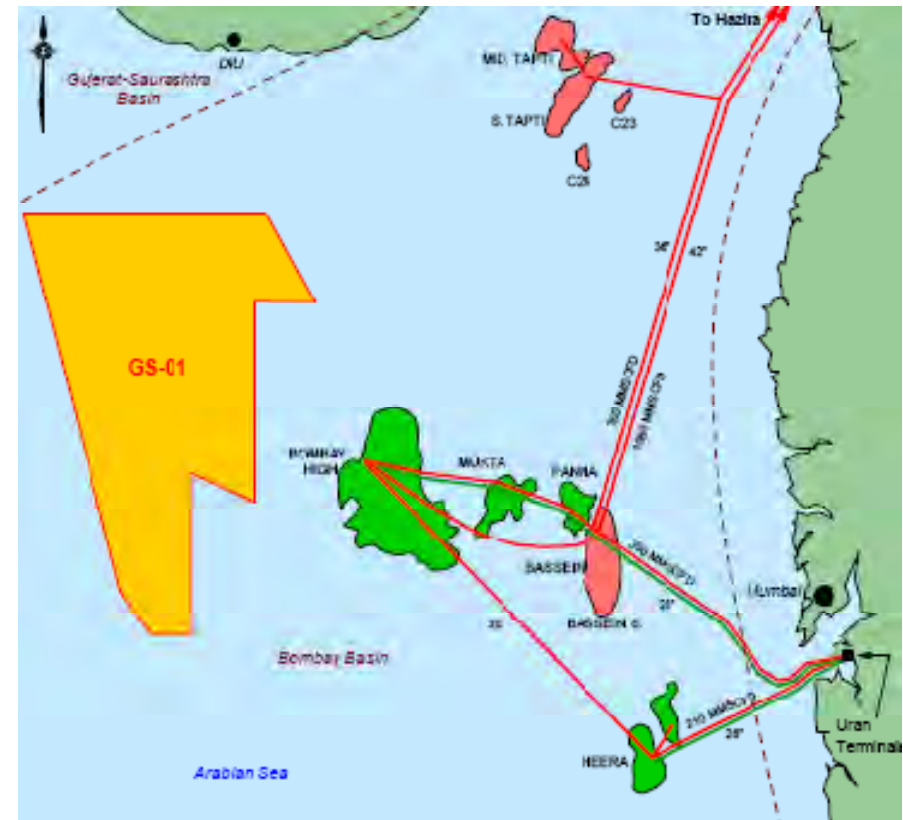
Block GS-01 (NELP II)

Background:

- Located in Gujarat-Saurashtra basin the block covers 8,841 km²
- Reliance (90%) and Hardy (10%)

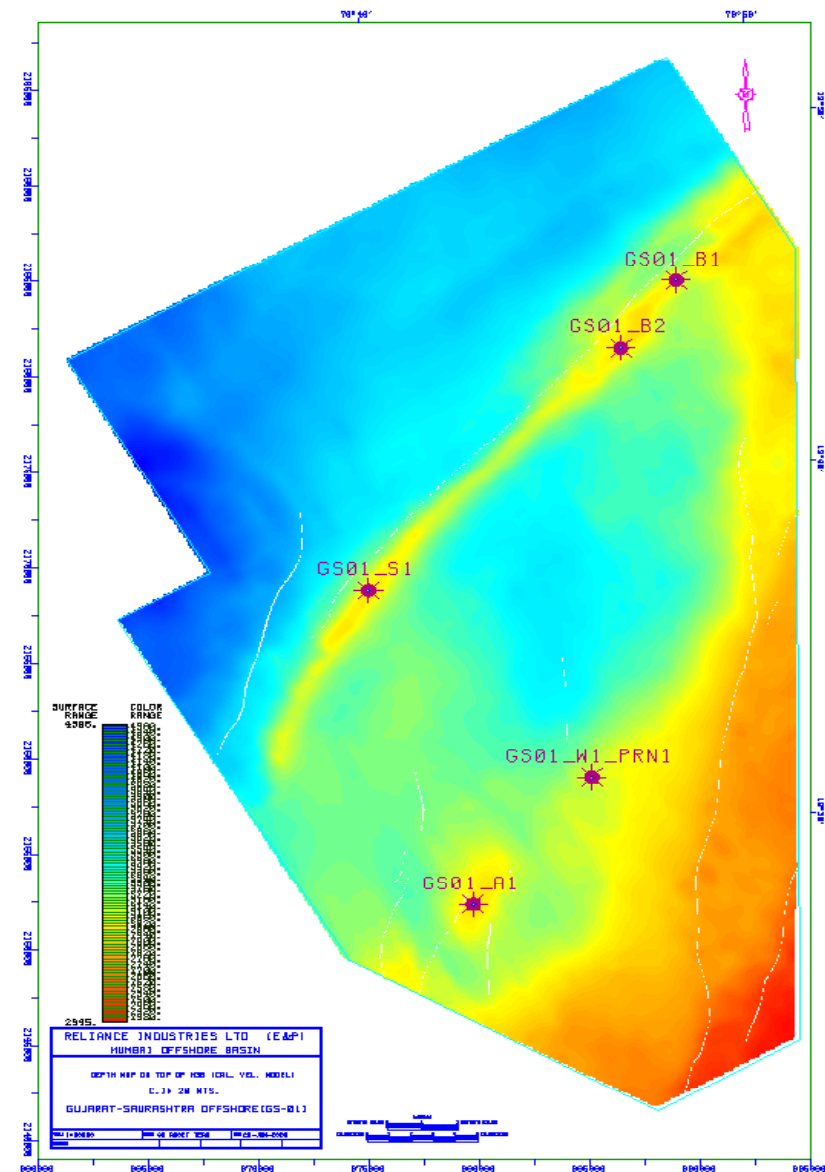
Highlights:

- Dhirubhai 33 discovery (B1 well)
- Two intervals tested, one produced 18.6 MMscfd and 415 stbd of condensate
- Acquired 1,000 km² of additional 3D seismic
- 3 exploration wells planned for 2008



GS-01 Location Map

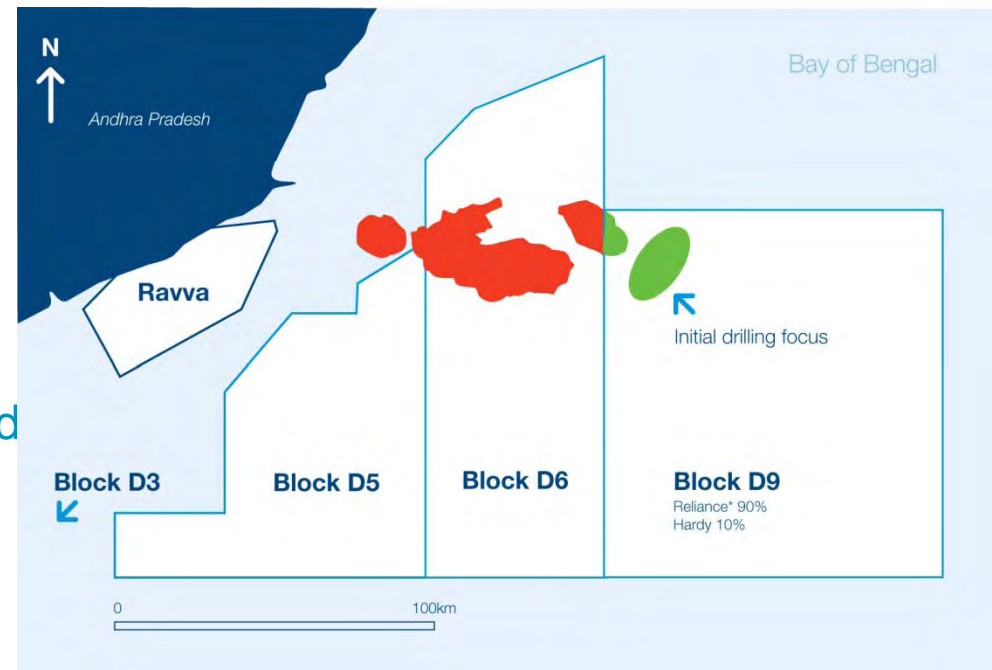
- The GS-01 block's prospects are primarily lower Miocene and Oligocene carbonate reefs
- Well locations GS-01-A1 and B1 have been drilled
- Based on B1 gas discovery the 2008 drilling campaign will include locations B2 and S1
- Prospect PRN1 is also planned to be drilled in 2008



Block D9 (NELP III)

Background:

- 3,440 km² of 3D seismic now acquired and processed
- Important oil and gas discoveries in adjacent D6 block
- The 11,605 km² block is located in the KG basin
- Hardy holds a 10% interest with Reliance holding 90%

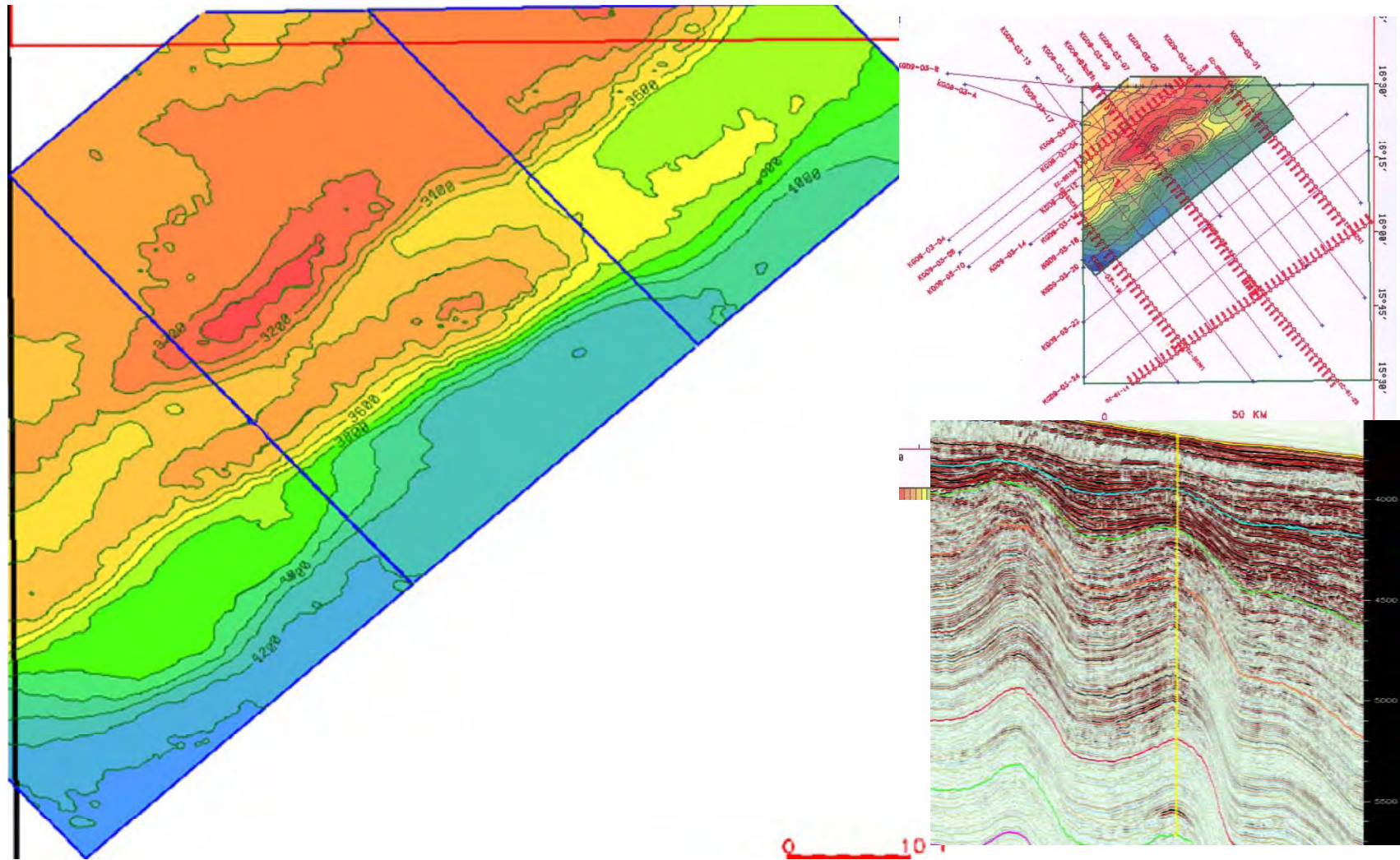


Highlights:

- Drilling programme expected to start in the latter part of 2008 (Water depths +2,000 m)
- Drilling locations targeting stacked sands in the Miocene, Oligocene, and Pliocene. Interpretation of Cretaceous potential is ongoing



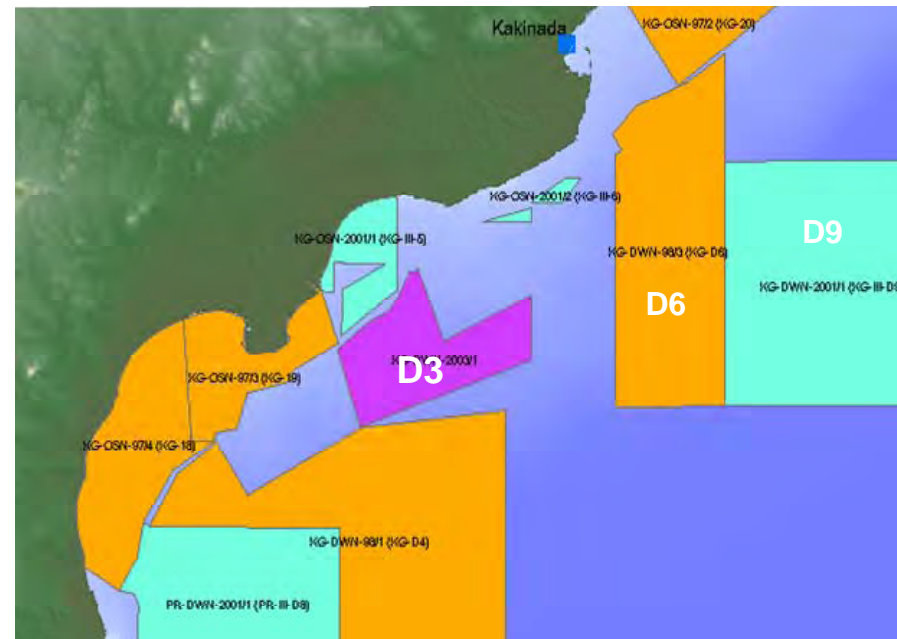
Block D9 – Seismic Depth Structure Map



Block D3 (NELP V)

Background:

- Hardy (10%) and Reliance (90%)
- Several prospects high graded from existing 3D seismic
- The 3,288 km² block is located in the KG basin
- Committed to seismic acquisition and drilling of 6 wells in phase I



Highlights:

- Completed acquisition of 2,800 km² of 3D seismic, processing currently ongoing, an additional 1,000 km² to be acquired in Q4 2008
- Two encouraging gas discoveries (Dhirubhai 39 & 41)

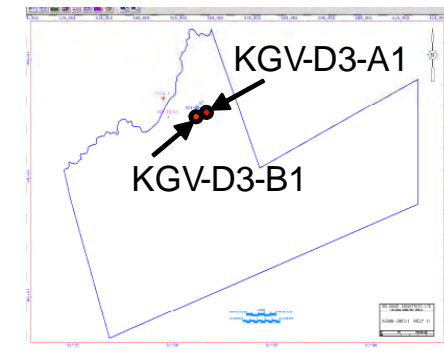


KGV-D3-A1 Discovery “Dhirubhai 39”



KG-DWN-2003/1 block (D3-NELP-V)

In 2008 two exploratory wells have been drilled resulting in first Gas Discovery in Krishna Deep Water



KGV-D3-A1:

Gas discovery in deep water fan lobe within rollover setup (1,513 m – 1,597 m)

MDT:- Points 14, Good 12, Tight 2
Gross Thickness : 84 m
Flow : 38.1 MMscfd

KGV-D3-B1:

Pleistocene -Deep water fan complex (1,865 m – 1,878 m)

MDT:- Points 20, Good 10, Tight 8, NS/LS 2

Gross Thickness : 13 m

Miocene - Unconformity bounded channel sands (2,223 m – 2,306 m)

MDT:- Points 37, Good 22, Tight 15
Gross Thickness : 83 m

No DST due to poor cementation in the zone of interest



ASSAM block (NELP II)

Introduction

- JOA signed on 31 March 2008
- Location: Assam Basin
- Area: 5,754 km²
- Phase I (3 years)
- Hardy Interest 10%
- Operated by Reliance (90%)

2008 Work Programme

- Re-processing of 124 lkm
- Acquire 500 lkm of new 2D data

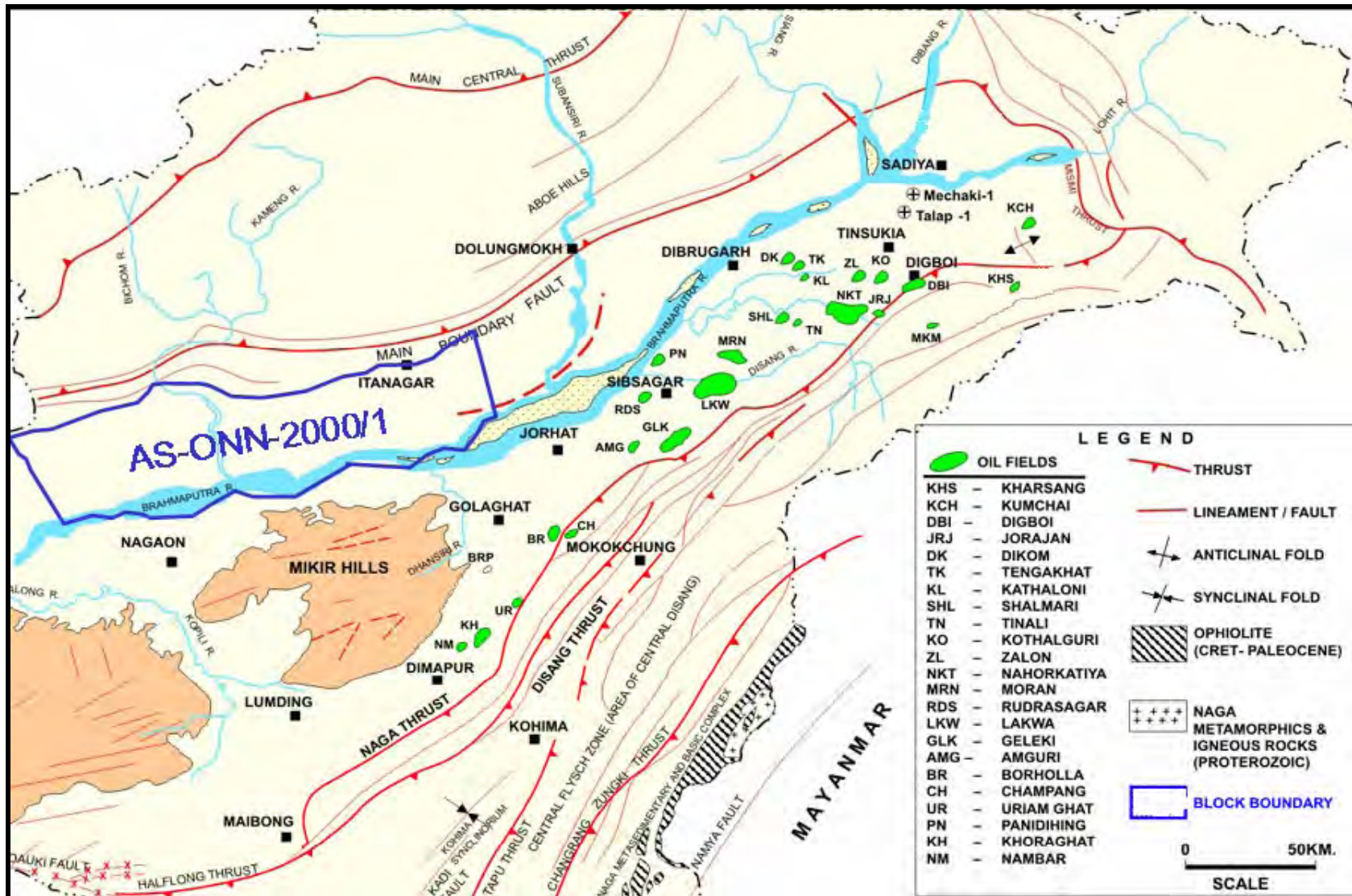


Minimum work programme

- Phase-I: API of 330 lkm 2D data, Reprocessing of 1,020 line km 2D data
- Phase-II: Drilling of one well
- Phase-III: Drilling of two wells



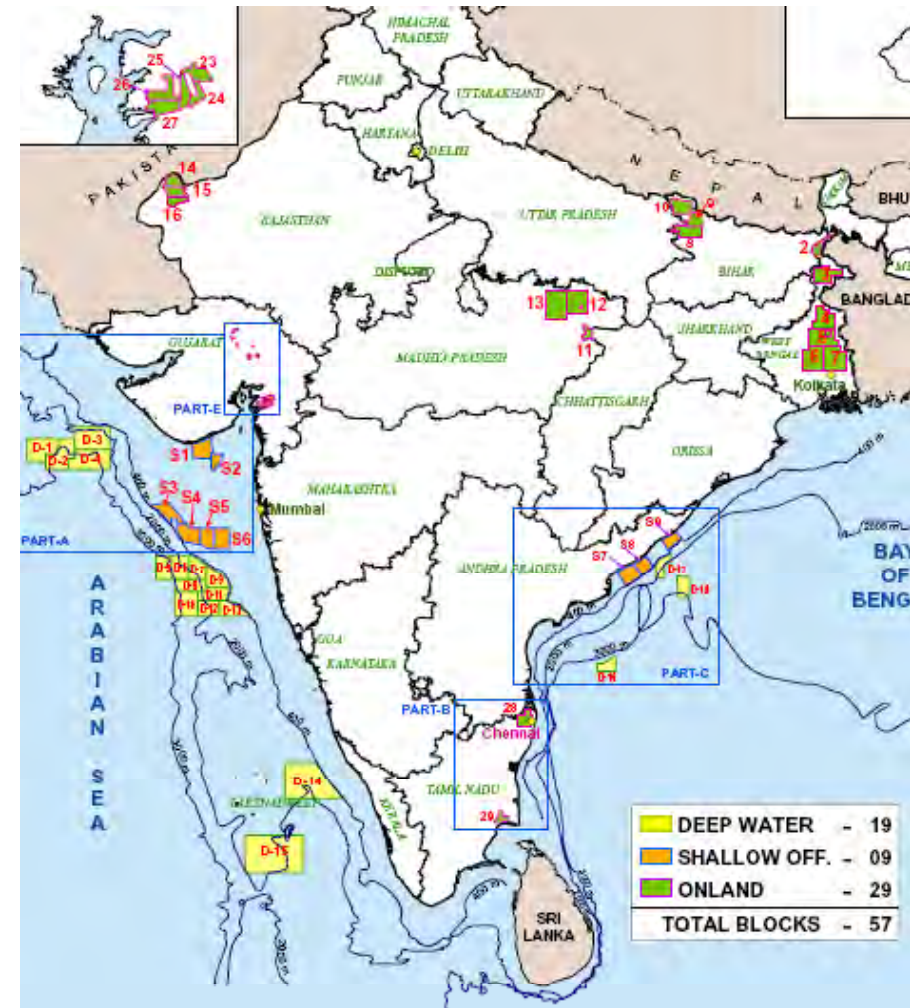
ASSAM block (NELP II)



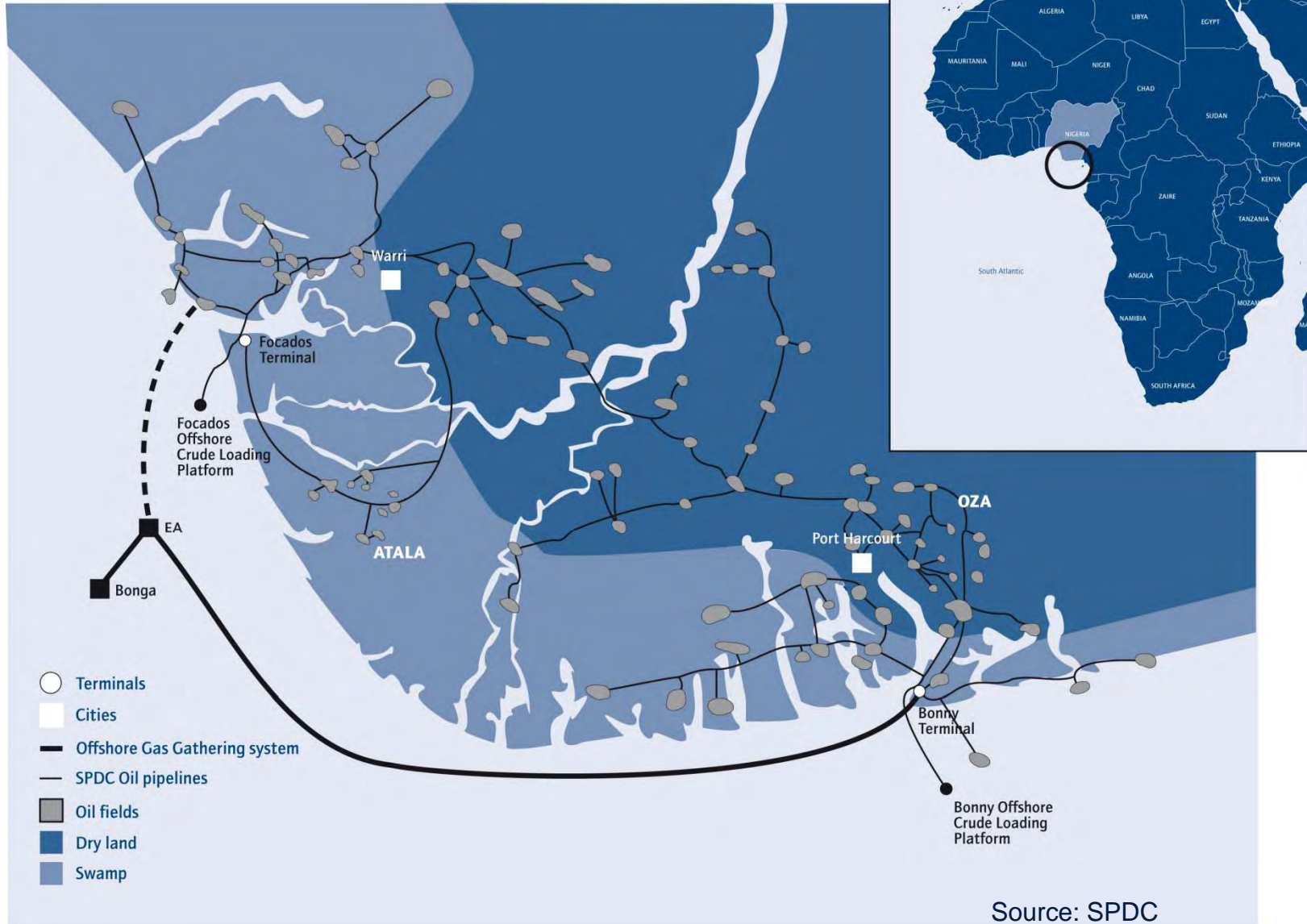
NELP VII - the next Indian Government licensing round

NELP rounds will continue to provide growth opportunities for independent E&P companies

- 57 blocks on offer; 19 deepwater, 9 shallow offshore, 29 onland
- Bid deadline - 25 April 2008
- Currently evaluating the available blocks



NIGERIA – Operations



Nigeria – OZA Block (OML 11)

Highlights

- November 2007 – conducted a well test flow rates averaged 606 stbd
- April 2008 – Farmout of a 20% interest to Emerald for funding initial development programme

Background

- Located onshore in NW part of OML-11, Abia State, Nigeria, Area 23 km²
- Field produced 1MMstb (API 37), part of SPDC's OML 11 block, 3 suspended wells
- Hardy now holds a 20% interest



Nigeria – ATALA Block (OML46)

Background

- Located on the Dodo River; NW Bayelsa State covering 34 km²
- Operated by Bayelsa Oil & Gas Company Limited, Hardy is technical partner holding 20% interest

Highlights

- Procurement of swamp drilling barge rig ongoing
- In-house G&G work ongoing



Exploration & Development Timetable

| | 2008 | | | | 2009 | | | |
|-------------------|-----------------------|---------|----|-----------------------|------------|---------|---------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Seismic | | | | | | | | |
| D3 | | | | 1,000 km ² | | | | |
| GS-01 | 1,100 km ² | | | | | | | |
| Assam | | | | 500 lkm | | | | |
| Drilling | | | | | | | | |
| PY-3 | | | | | 2 wells | | | |
| CY-OS/2 | | | | 3 wells | | | | |
| D9 | | | | 1 well | | | 3 wells | |
| GS-01 | | 3 wells | | | | | | |
| D3 | 2 wells | | | | | 3 wells | | |
| Oza | | | | Workover | | | | |
| Atala | | | | | Re-entry | | | |
| Production | PY-3 | | | | PY-3 & Oza | | | |



Summary & Outlook

- Good progress in de-risking exploration portfolio
- Strong start to the 2008 exploration drilling programme with two discoveries on D3 block
- Move to Official List provides platform for future growth
- Focus on implementing the appraisal programme for CY-OS/2 and PY-3's Phase III development programme
- Active drilling programme planned for the coming year on all of the Company's offshore exploration blocks

“The Company is in excellent shape and we are enthusiastic about the year ahead.”





APPENDIX – HARDY OIL AND GAS DETAIL



Experienced Board



Paul Mortimer

Non-Executive Chairman

Diverse board level experience. Senior Executive with Exxon, Newmont Mining, Peabody. Extensive experience as a consultant on mining, energy and venture capital projects to Placer Dome, Atlas Corp., Morgan Stanley & Hoegh Invest A/S.



Sastry Karra

Chief Executive

Co-founded Hardy with 40+ years in the oil industry with senior management roles at Occidental and Petronas as well as earlier experience with Gulf Canada, Husky and Ashland and as a university lecturer.



Yogeshwar Sharma

Chief Operating Officer

Co-founded Hardy with 30+ years international oil industry experience. Held senior technical positions at Schlumberger and Elf International helping found the 'Elf Geoscience Research' centre in London. He was an external examiner at Heriot Watt University for 3 years.



Dinesh Dattani

Finance Director

28+ years of industry and corporate experience principally with upstream oil and gas companies. Has served in senior finance capacities with publicly listed companies including Canoro Resources Ltd., Bow Valley Energy Ltd., Sherritt International Corporation, and Home Oil Company Ltd.



Dr. Carol Bell

Non-Executive Director

20+ years experience in the oil and gas sector. Formerly Managing Director of Chase Manhattan's Investment Bank with responsibility for oil and gas and Global Head of J.P. Morgan's Energy team in Equity Research. She was awarded a PhD in the archaeology of ancient trade in May 2005.



Pradip Shah

Non-Executive Director

Founder and chairman of IndAsia Fund Advisors Private Limited. Established Indocean Fund with affiliates of Soros Fund Management and Chemical Venture Partners. Founded and managed CRISIL, India's first and largest credit rating agency. Assisted in setting up Housing Development Finance Corporation. Consultant to USAID, World Bank and the Asian Development Bank.



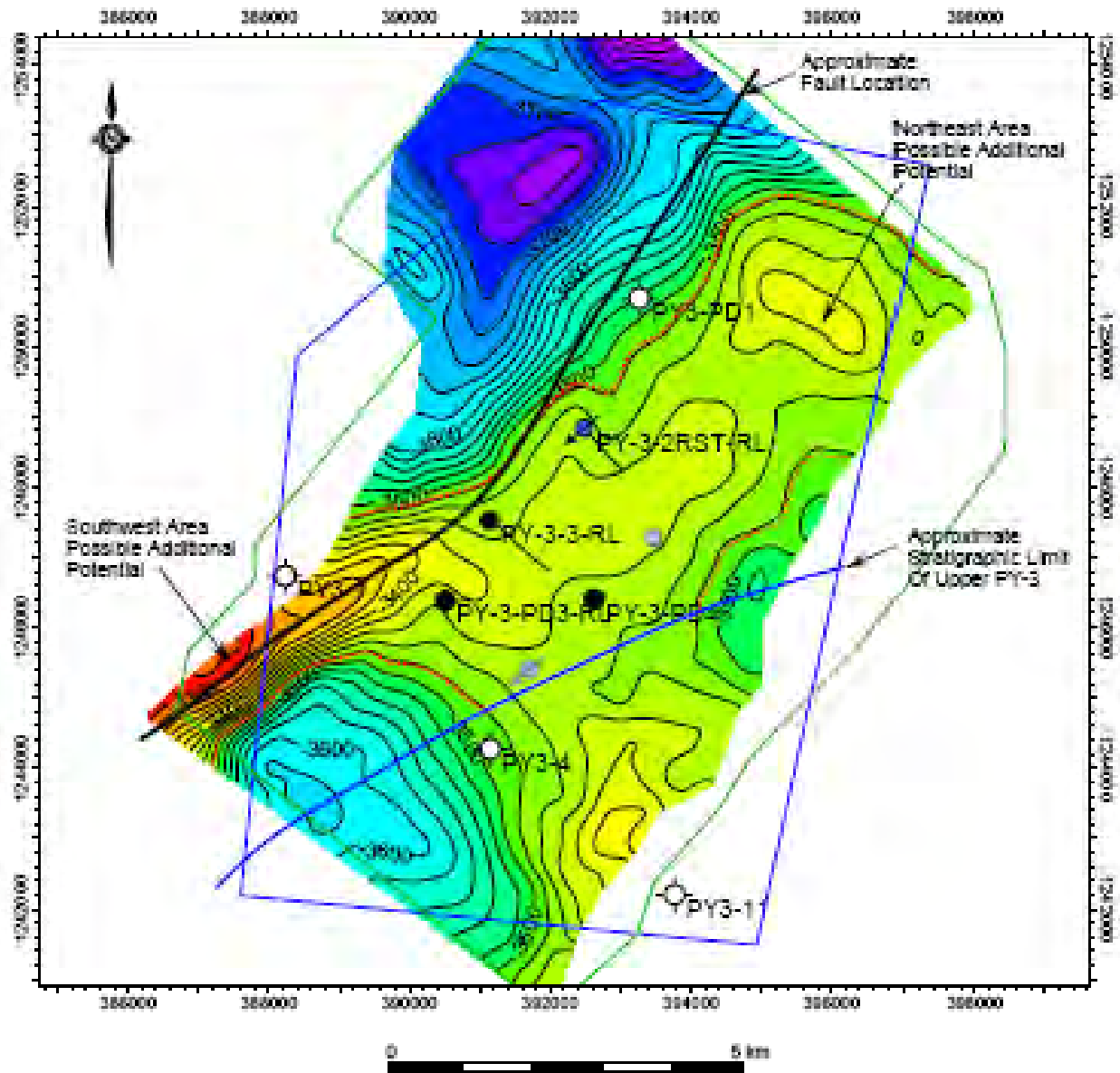
Equity Financing



| Date | June 2005 | February 2006 | June 2007 | 8 April 2008 |
|-------------------|-----------|---------------|-----------|--------------|
| Price/share (£) | 1.44 | 2.82 | 4.23 | 8.46 |
| Shares issued (m) | 10.4 | 5.2 | 5.0 | - |
| Funds raised (£m) | 15.0 | 14.7 | 21.0 | - |



PY-3 Structure Map



CY-OS/2 (PI 75%) - CPR Contingent Resources

| Prospect | Unit | Gross | Net |
|----------------------|-------|-------|------|
| | | 2C | |
| (Ganesha-1 Deep Fan) | MMbbl | 24.0 | 18.0 |

CPR Prospective Resources

Complete GCA report available on the Company's website www.hardyoil.com

| Prospect | Unit | Gross | Net | GCoS (%) |
|-------------------------|-------|---------------|------|----------|
| | | Best estimate | | |
| Shree Miocene Channel 1 | Bcf | 105.0 | 78.8 | 14 |
| Shree Miocene Channel 2 | Bcf | 132.0 | 99.0 | 14 |
| Ganesha - 1 Top fan | MMbbl | 61.6 | 46.2 | 25 |
| SE Four-Way Closure | MMbbl | 7.0 | 5.3 | 25 |
| Shree – Cretaceous | MMbbl | 4.5 | 3.4 | 14 |



GS-01 (PI 10%) – CPR Contingent Resources

| Prospect | Unit | Gross | Net |
|----------|------|-------|-----|
| | | 2C | |
| B1 area | Bcf | 91.5 | 9.1 |

CPR Prospective Resources

| Prospect | Unit | Gross | Net | GCoS (%) |
|----------|------|---------------|------|----------|
| | | Best estimate | | |
| B2 | Bcf | 103.0 | 10.3 | 30 |
| B1/B2 | Bcf | 66.0 | 6.6 | 30 |
| S1 | Bcf | 190.0 | 19.0 | 30 |
| Prn 1 | Bcf | 54.0 | 5.4 | 10 |



D9 (PI 10%) – CPR Prospective Resources

| Lead | Unit | Gross | Net | GCoS (%) |
|----------------|------|---------------|--------------|-------------|
| | | Best estimate | | |
| Upper Miocene | Bcf | 13,000 | 1,300 | 15 |
| Middle Miocene | Bcf | 19,000 | 1,900 | 15 |
| Oligocene | Bcf | 13,000 | 1,300 | 15 |

Complete GCA report available on the
Company's website www.hardyoil.com



D3 – GCA Prospective Resources (Pre-drill estimate)

| Prospect | Unit | Gross | Net | GCoS (%) |
|----------|------|---------------|------|----------|
| | | Best estimate | | |
| KGD-1 | Bcf | 71.0 | 7.1 | 25 |
| KGD-2 | Bcf | 113.0 | 11.3 | 20 |
| KGD-3 | Bcf | 66.0 | 6.6 | 20 |
| KGD-11 | Bcf | 143.0 | 14.3 | 20 |
| KGD12 | Bcf | 18.0 | 1.8 | 15 |

IN-HOUSE Prospective Resources BCF (Pre-drill estimate)

| Prospect | Gross | Net | Lead | Gross | Net |
|----------|---------------|------|--------|---------------|------|
| | Best estimate | | | Best estimate | |
| KGD-1 | 285 | 28.5 | KGD-4 | 850 | 85.0 |
| KGD-2 | 583 | 58.3 | KGD-5 | 487 | 48.7 |
| KGD-3 | 568 | 56.8 | KGD-6 | 72 | 7.2 |
| KGD-11 | 733 | 73.3 | KGD-7 | 604 | 60.4 |
| KGD-12 | 138 | 13.8 | KGD-8 | 181 | 18.1 |
| | | | KGD-9 | 81 | 8.1 |
| | | | KGD-10 | 420 | 42.0 |



Oza (WI 40%) – CPR Contingent Resources

| Prospect | Unit | Gross | Net |
|----------|-------|-------|-----|
| | | 2C | |
| Oza | MMbbl | 3.8 | 1.5 |

Atala (WI 20%) – CPR Contingent Resources

| Prospect | Unit | Gross | Net |
|----------|-------|-------|------|
| | | 2C | |
| Atala | Bcf | 359 | 71.8 |
| Atala | MMbbl | 7.5 | 1.5 |

Complete GCA report available on the Company's website www.hardyoil.com

