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Hardy Oil and Gas plc

("Hardy" or "the Company")

Publication of Technical Evaluation

Hardy Oil and Gas plc (LSE:HDY), the oil and gas exploration and production company with assets predominantly in India, today announces the publication of a technical evaluation report on the resource potential of the Company's D3 and D9 exploration licences located in the prolific Krishna Godavari Basin.

The technical evaluation was undertaken by Gaffney, Cline & Associates Ltd (GCA). GCA has previously provided a Competent Persons' Report, effective June 2007 for Hardy Oil and Gas plc with respect to the D3 and D9 exploration blocks.

The technical review undertaken incorporates the data gathered from the Company's two gas discoveries on the D3 block (Dhirubhai 39 and 41) and extensive geological and geophysical work undertaken by the respective joint ventures. This work includes over 2,000 km² of new 3D seismic data on D3 and Pre-Stacked Time Migration (PSTM) 3D seismic data processing and a Constrained Source Electro Magnetism Survey (CSEM) on D9.

In addition to undertaking to validate prospects identified by the joint venture, GCA employed a play-based exploration methodology on the D3 block to address both the current prospect inventory and the "yet to find" resource potential.

Using the play based exploration methodology, the potential **gross risked Best Estimate Resources for the D3 block is estimated, by GCA, at 9.5 TCF**. This includes identified prospects and leads and a number of postulated prospects based on the play area and field size distribution.

Gross risked Best Estimate Prospective Resources in block D9, comprising the joint venture's identified prospects / leads, is estimated, by GCA, at 10.8 TCF and 143 MMBbl.

A summary report of the evaluation can be downloaded from Hardy's website <http://www.hardyoil.com>.

Commenting on the report, Sastry Karra, Chief Executive of Hardy said:

"The report confirms the significant hydrocarbon potential of our exploration assets in the emerging world class petroleum system of the Krishna Godavari Basin in India. The two discoveries on D3 in conjunction with the acquisition of risk mitigating technologies and geotechnical studies have resulted in the upward revision of the perceived Geological Chance of Success on both of our Krishna Godavari Basin blocks."

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SUMMARY

The Krishna Godavari Basin is an emerging world class petroleum province with an unconventional biogenic gas petroleum system, and a conventional thermogenic petroleum system, the latter for Early Tertiary and Mesozoic plays.

Within the Krishna Godavari Basin, Hardy holds two attractive exploration licences D3 and D9. The assets are held through Hardy Exploration & Production (India) Inc, a wholly owned subsidiary. A brief description of the blocks are as follows:

- **Block D9 (KG-DWN-2001/1)**, is located on the east coast of India in the offshore Krishna Godavari Basin, Hardy holds a 10 per cent participating interest. The extensive block is located immediately to the east of Reliance Industries Limited's producing oil and gas fields on Block KG-DWN-98/3, which is projected to double India's domestic natural gas production capacity by the end of 2009.
- **Block D3 (KG-DWN-2003/1)**, is located on the east coast of India in the offshore Krishna Godavari Basin due west and some 50 km inshore of the Reliance concession mentioned above. Hardy holds a 10 per cent participating interest.

On both exploration blocks, multiple play opportunities exist. The Pleistocene and Pliocene plays are proven. However, the Miocene play(s) is considered to have the best undiscovered potential.

Risk mitigating technologies (e.g. AVO, fluid substitution modelling, CSEM) are in place. However, Hardy was not able to provide sufficient analytical results, within the timeframe of this study, to permit a thorough uncertainty and risk analysis.

The following tables summarise the Contingent Resources, Prospective Resources and associated GCOS of the D3 and D9 exploration blocks;

D3: CONTINGENT RESOURCES SUMMARY AS AT 1 MAY 2009

Prospect	Gross Contingent Resources (BCF)			Hardy Interest	Net Hardy Contingent Resources (BCF)		
	Low Estimate 1C	Best Estimate 2C	High Estimate 3C		Low Estimate 1C	Best Estimate 2C	High Estimate 3C
A1 Pleistocene Sand 0	28	113	274	10%	2.8	11.3	27.4
A1 Pleistocene Sand 1	33	97	209	10%	3.3	9.7	20.9
Total A-1	61	210	483	10%	6.1	21.0	48.3
B1 Pleistocene Sand 2 (Southern)	57	146	316	10%	5.7	14.6	31.6
B1 Well Pliocene Sand	27	67	125	10%	2.7	6.7	12.5
Total B-1	84	213	441	10%	8.4	21.3	44.1
Grand Total	145	423	924	10%	14.5	42.3	92.4

GCA Comment: The Chance of Economic Development (COED) i.e. the chance to move from Contingent Resources to Reserves, for these two discoveries, on their own, is considered low at this time.

Notes:

1. Contingent Resource is defined as "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 of more contingencies."

D3: PLAY SUMMARY – GROSS RISKED RESOURCES AS AT 1 MAY 2009

Play	Gross Risked Resources (TCF)		
	Low Estimate	Best Estimate	High Estimate
Pleistocene	0.3	3.2	8.1
Pliocene	0.4	1.9	4.1
Miocene	0.6	3.6	9.4
Oligocene	0.1	0.4	0.9
Eocene	0.03	0.1	0.2
Palaeocene	0.1	0.3	0.8
Total Gross Aggregate Risked Best Estimate Resources = 9.5 TCF			

Notes:

1. Play-based exploration methodology – each play comprises currently identified prospects and leads and a number of postulated prospects based on the play area and field size distribution. Volumetric estimates are made at both the prospect and play level. In addition, Geological Chance of Success (GCOS) is assigned to all the prospects and leads.

D3: SUMMARY OF GROSS PROSPECTIVE RESOURCES AS AT 1ST MAY, 2009

Prospect / Lead	Play	Gross Prospective Resources (Bcf)			GCOS (frac)
		Low Estimate	Best Estimate	High Estimate	
B1 Pleistocene Sand 2 (Central)	Pleistocene	30	127	330	0.80
F1 (KG D-8)	Pleistocene	88	272	589	0.80
B1 Pleistocene Sand 2 (Northern)	Pleistocene	73	255	614	0.80
K1 (KG D-10)	Pleistocene	123	410	879	0.80
O1/P1	Pleistocene	83	300	691	0.80
KG D13	Pleistocene/Mio	1,190	1,190	1,190	0.05
Q1 A	Pliocene	52	134	291	0.70
Q1 B	Pliocene	74	161	306	0.70
L1 (KG D2 & D-12)	Pliocene	53	134	262	0.70
R1	Pliocene	72	166	318	0.70
E1 (KG D-11)	Pliocene	75	169	319	0.70
J1 (KG D-6)	Miocene	135	281	524	0.48
G1 (KG D-4)	Miocene	112	328	675	0.48
M1 (KG D-10)	Miocene	175	464	904	0.48
S1	Oligocene	89	300	703	0.24
H1	Oligocene	334	840	1,641	0.24
Gross Aggregate Risked Prospective Resources (TCF)		0.9	2.5	5.2	

Notes:

1. Prospective Resources is defined as "Those quantities of petroleum which are estimated as of a given date, to be potentially recoverable from undiscovered accumulations."
2. The Geologic Chance of Success (GCOS) reported here represents an indicative estimate of the probability that the drilling of this prospect would result in a discovery which would warrant the re-categorisation of that volume as a Contingent Resource. The GCOS value for Contingent Resource is 100%.
3. A "Prospect" is defined as "A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target".
4. A 'Lead' is defined as a "Project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a Prospect". As such it must be appreciated that a Lead carries a higher risk than a Prospect.

D9 SUMMARY OF GROSS PROSPECTIVE RESOURCES AS AT 1 MAY 2009

Prospect / Lead	Play	Gross Prospective Resources (TCF)			GCOS (frac)
		Low Estimate	Best Estimate	High Estimate	
Channel 2 (Near #B3)	Lr Pliocene	0.3	0.9	1.8	0.30
Channel 1 (near #B3)	Up Pliocene	0.2	0.7	1.5	0.30
Central Anticline (near #A1)	U. Miocene	1.4	3.6	7.6	0.20
Northern Anticline (NW flank B1)	U. Miocene	0.8	2.5	5.6	0.20
Central Anticline (near #B3)	U. Miocene	1.0	2.5	5.3	0.25
Southern Anticline (SE Flank C1)	U. Miocene	1.1	2.9	6.2	0.10
Central Anticline A1 & B2	M. Miocene	1.2	2.8	5.6	0.25
Northern Anticline B1	M. Miocene	2.7	5.2	12.0	0.25
Central Anticline A1 & B2	M. Miocene	2.9	6.6	12.9	0.25
Southern Anticline C1	M. Miocene	1.8	5.2	12.0	0.15
Northern Anticline (near #B1)	L. Miocene	1.8	6.3	15.0	0.15
Central Anticline (near #A1)	L. Miocene	1.5	4.0	8.7	0.15
Central Anticline (near #B2)	L. Miocene	1.3	2.8	5.5	0.25
Central Anticline (near #A2)	L. Miocene	0.8	2.3	4.9	0.15
Central Anticline #A1 Channel	L. Miocene	1.4	4.2	9.2	0.15
Central Anticline #A2 Channel	L. Miocene	0.8	2.3	5.0	0.15
Gross Aggregate Risked Prospective Resources (TCF)		4.1	10.8	23.0	

Notes:

1. The Geologic Chance of Success (GCOS) reported here represents an indicative estimate of the probability that the drilling of this prospect would result in a discovery which would warrant the re-categorisation of that volume as a Contingent Resource. The GCOS value for Contingent Resource is 100%.
2. A "Prospect" is defined as "A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target".
3. A 'Lead' is defined as a "Project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a Prospect". As such it must be appreciated that a Lead carries a higher risk than a Prospect.

D9 SUMMARY OF GROSS PROSPECTIVE RESOURCES AS AT 1 MAY 2009 (Continued)

Prospect / Lead	Age	Gross Prospective Resources (MMBbl)			GCOS (frac)
		Low Estimate	Best Estimate	High Estimate	
Central Anticline (4 way fault closure B2)	Palaeocene	142	420	961	0.18
Wedge	Palaeocene	156	456	1,040	0.18
Central Anticline (A1-B2) – (Hardy Wedge)	Palaeocene	15	47	107	0.08
Central Anticline (Fault Closure B2)	Cretaceous	44	122	260	0.18
Gross Aggregate Risked Prospective Resources (MMBbl)		49	143	322	

Notes:

1. The Geologic Chance of Success (GCOS) reported here represents an indicative estimate of the probability that the drilling of this prospect would result in a discovery which would warrant the re-categorisation of that volume as a Contingent Resource. The GCOS value for Contingent Resource is 100%.
2. A "Prospect" is defined as "A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target".
3. A 'Lead' is defined as a "Project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a Prospect". As such it must be appreciated that a Lead carries a higher risk than a Prospect.

Classification & Categorization of Hydrocarbon volumes: Gaffney, Cline & Associates Ltd have used the Petroleum Resources Management System published by the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers in March 2007 (SPE PRMS) as the basis for its classification and categorization of hydrocarbon volumes

GLOSSARY OF TERMS

3D	three dimensional
Assam block	exploration licence AS-ONN-2000/1
AVO	amplitude variations with offset (supports the interpretation of various seismic anomalies being direct hydrocarbon indicators)
BCF	billion cubic feet
COED	chance of economic development
CSEM	constrained source electro magnetism survey
D3	exploration licence KG-DWN-2003/1
D9	exploration licence KG-DWN-2001/1
Dhirubhai 39	gas discovery on KGV-D3-A1 announced on 13 February 2008
Dhirubhai 41	gas discovery on KGV-D3-B1 announced on 1 April 2008
GCA	Gaffney, Cline & Associates Ltd
GCOS	geological chance of success
km	kilometre
km ²	square kilometre
MMBbl	million barrels of oil
PSTM	pre-stack time migration (facilitates the interpretation of the topography of subsurface structures)
TCF	trillion cubic feet

NOTES TO THE EDITORS

Hardy Oil and Gas plc is an upstream international oil and gas company whose assets are principally in India. Its portfolio includes a blend of exploration, appraisal, development, 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 has existing production from an offshore field in India's Cauvery Basin. Hardy also has interests in four offshore exploration blocks in India's Krishna Godavari, Saurashtra, and Cauvery Basins and one onshore exploration block in the Assam Basin and two development licences in Nigeria.

Hardy is incorporated under the laws of the Isle of Man and headquartered in London, 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, located in Chennai, India. The Company's Nigerian assets are held through wholly owned subsidiary Hardy Oil Nigeria Limited, located in Lagos, Nigeria.

For further information please refer to our website at [www. Hardyoil.com](http://www.Hardyoil.com)