

# HARDY OIL AND GAS PLC

(Incorporated in the Isle of Man with registered no. 87462C)

## 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, 45 Moorfields, London, EC2Y 9AE at 10.00 a.m. on 7 May 2009 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 2008 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 2008;
3. to re-elect Sastry Karra as a director of the Company;
4. to re-elect Yogeshwar Sharma as a director of the Company;
5. to re-elect Paul Mortimer as a director of the Company;
6. to re-elect Pradip Shah as a director of the Company;
7. to re-appoint Mr Ian Bruce as a director of the Company;
8. to re-appoint 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 resolutions which will be proposed as special resolutions:

9. to authorise the Company generally for the purposes of Section 13 of the Companies Act 1992 to make market purchases (as defined in Section 13(2) of the said Act) of ordinary shares of US\$0.01 each in the capital of the Company ('Ordinary Shares') provided that:
  - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 9,341,924 Ordinary Shares which represents 14.99% of the Ordinary Shares in issue as at the date of this notice;
  - (b) the minimum price which may be paid for such Ordinary Shares is the nominal amount thereof;
  - (c) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares shall be 5% above the average of the middle market quotations taken from the Daily Official List of the London Stock Exchange plc for the five business days before the purchase is made;
  - (d) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the next Annual General Meeting of the Company and the date which is 18 months after the date on which this resolution is passed; and
  - (e) the Company may make a contract to purchase its own Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Ordinary Shares in pursuance of any such contract.
10. to approve the disapplication of the provisions of Article 5.1 of the Articles of Association of the Company to the issue of Ordinary Shares up to an aggregate number of 3,426,502 which represents 5% of the issued share capital of the Company following completion of the placing, as announced by the Company on 1 April 2009, 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  
14 April 2009

**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, 15-19 Athol Street, Douglas, Isle of Man IM1 1LB, not later than 10.00 a.m. on 5 May 2009. 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 62,321,047 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 62,321,047.
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.

**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. 87462C)

## **NOTICE OF 2009 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, 45 Moorfields, London, EC2Y 9AE on 7 May 2009 at 10.00 a.m. 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, 15-19 Athol Street, Douglas, Isle of Man, IM1 1LB 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 a.m. on 5 May 2009.

## CONTENTS

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	Page
Letter from the Chairman of the Company	3
<b>Notice of Annual General Meeting</b>	<b>5</b>

# HARDY OIL AND GAS PLC

(Incorporated in the Isle of Man with registered no. 87462C)

## Directors:

Paul Mortimer (Non-executive Chairman)  
Sastry Karra (Chief Executive Officer)  
Yogeshwar Sharma (Chief Operating Officer)  
Dinesh Dattani (Finance Director)  
Carol Bell (Senior Non-executive Director)  
Pradip Shah (Non-executive Director)  
Ian Bruce (Non-executive Director)

## Registered Office:

15-19 Athol Street  
Douglas  
Isle of Man  
IM1 1LB

14 April 2009

Dear Shareholder,

## 2009 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, 45 Moorfields, London, EC2Y 9AE on 7 May 2009 at 10.00 a.m. and which are set out in the notice of Annual General Meeting on pages 4 and 5 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 2008, 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 – 8 – 'Ordinary Business'

Resolutions numbered 1 – 8 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 2008, 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 2008;
3. the re-election of Sastry Karra, 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;
4. the re-election of Yogeshwar Sharma, who, having been previously re-elected as a director more than three years prior to the date of the Annual General Meeting, 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 Paul Mortimer, who, having been a non-executive director for more than nine years, submits himself for re-election as a director in accordance the guidance provided by the Combined Code on Corporate Governance;
6. 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;
7. the re-appointment of Ian Bruce, who, having been appointed as a director by the board on 24 October 2008 (and therefore since the date of last year's Annual General Meeting), is required under article 82.1 of the Company's articles of association to submit himself for re-appointment as a director;
8. the re-appointment of Horwath Clark Whitehill LLP as auditors of the Company and the authorisation of the directors to determine the auditors' remuneration.

### Re-election / re-appointment of directors

Biographical details for Sastry Karra, Yogeshwar Sharma, Paul Mortimer, Pradip Shah and Ian Bruce are set out on pages 24 and 25 of the accompanying 2008 Annual Report.

Mr Karra and Mr Sharma entered into parallel service agreements with the Company and its wholly owned subsidiary, Hardy Exploration & Production (India) Inc. The appointments are subject to termination upon 6 months' notice by either party.

Mr Mortimer, Mr Shah and Mr. Bruce have entered into engagement letters with the Company in respect of their appointments as non-executive directors of the Company. The appointments are subject to termination upon at least 3 months' notice by either party.

Both Mr Mortimer and Mr Shah have served as directors for more than nine years. Mr Mortimer is the Company's non executive chairman and Mr Shah chairs the Company's remuneration committee. The board of directors believes that the contribution being made by both directors continues to be invaluable and is satisfied that they conduct themselves in an independent manner in the best interest of shareholders of the Company.

The board of directors is satisfied that the performance of all of the directors proposed for re-election or re-appointment continues to be effective and is also satisfied as to their commitment to their roles as directors.

## Resolutions numbers 9 and 10 – ‘Special Business’

Resolutions numbers 9 and 10 comprise two items of ‘special business’ of the Annual General Meeting, both of which are to be proposed as special resolutions.

### Resolution number 9 – Authority to buy-back Shares

Resolution number 9 will be proposed as a special resolution to authorise the Company to purchase up to 9,341,924 of its own ordinary shares of US\$0.01 each (“Ordinary Shares”) in the market, representing 14.99 per cent. of the current issued ordinary share capital of the Company, at a price not less than the nominal value of the Ordinary Shares and not more than 5 per cent. above the average of the middle market quotations of the Ordinary Shares derived from the London Stock Exchange plc’s Daily Official List for the five business days before the purchase is made. The authority would be given for the period ending on the date of the next year’s Annual General Meeting or 18 months after the passing of the resolution (whichever is the earlier) and it is presently intended that a resolution for the renewal of such authority would be proposed at each succeeding Annual General Meeting. The directors have no present intention of making such purchases, but believe it is prudent to have this authority so as to be able to act at short notice should circumstances warrant purchases. The authority would only be exercised if the directors believe that to do so would be in the best interests of shareholders generally.

Options over an aggregate of 4,757,101 Ordinary Shares are outstanding at 14 April 2009, representing 7.63% of the Company’s issued share capital at that date and which would represent 8.98% of the Company’s issued share capital if the proposed authority being sought at the Annual General Meeting to buy back 9,341,924 Ordinary Shares was exercised in full.

### Resolution number 10 – Disapplication of pre-emption rights

Resolution number 10, which will be proposed as a special resolution, 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 such amount of Ordinary Shares for cash as is equal to five per cent. of the issued share capital of the Company following completion of the placing, as announced by the Company on 1 April 2009.

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

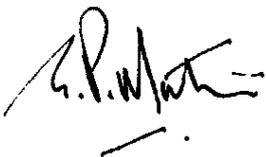
Shareholders will find enclosed with this document a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy so as to reach the Company’s registered office at 15-19 Athol Street, Douglas, Isle of Man, IM1 1LB 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 a.m. on 5 May 2009.

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 – 10 (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 12,525,565 Ordinary Shares (representing 20.10 per cent. of the current issued ordinary share capital of the Company).**

Yours faithfully



Paul Mortimer  
Chairman