

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 (the "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.

HARDY OIL AND GAS PLC

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

NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at the Skene House Rosemount, 96 Rosemount Viaduct, Aberdeen AB25 1NX on 8 September 2016 at 11.00 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 11.00 am on 6 September 2016.

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HARDY OIL AND GAS PLC

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

Directors:

Alasdair Locke (Non-Executive Chairman)
Ian MacKenzie (Chief Executive Officer)
Peter Milne (Senior Non-Executive Director)
Pradip Shah (Non-Executive Director)

Registered Office:

Fort Anne
Douglas
Isle of Man
IM1 5PD

25 July 2016

Dear Shareholder,

2016 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 Skene House Rosemount, 96 Rosemount Viaduct, Aberdeen AB25 1NX on 8 September 2016 at 11.00 am and which are set out in the notice of Annual General Meeting on pages 5 and 6 of this document.

I would like to take this opportunity to give you some information about the resolutions to be considered at the Annual General Meeting. Shareholders should read the contents of this document in conjunction with the audited annual accounts of the Company for the year ended 31 March 2016 together with the reports of the Directors and Auditors thereon enclosed with this document.

Resolutions numbered 1 – 5 – 'ordinary business'

Resolutions numbered 1 – 5 to be proposed at the Annual General Meeting are all 'ordinary business' and will each be proposed as an ordinary resolution as follows:

Resolution 1 deals with the receipt and adoption of the accounts for the year ended 31 March 2016 and the associated reports of the Directors and Auditors.

Resolution 2 is to consider the Directors' Remuneration Report (other than the Directors' Remuneration Policy Report) as set out on pages 34 to 42 of the annual report for the year ended 31 March 2016 which is proposed as an advisory resolution.

Hardy Oil and Gas plc is an Isle of Man incorporated company and is therefore not subject to the UK company law requirement to submit its remuneration report to a binding shareholder policy vote on director pay. Given the Company's commitment to good corporate governance, the Directors' Remuneration Policy Report was approved by shareholders at the Company's 2014 Annual General Meeting. Accordingly, this year the Company is seeking advisory vote in respect to the Directors' Remuneration Report.

Resolutions 3 and 4 deal with the re-election of Directors. Biographical details for Mr Pradip Shah and Mr Peter Milne are set out on page 22 of the annual report and accounts for the year ended 31 March 2016.

Resolution 3 invites shareholders to re-elect Mr 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 UK Corporate Governance Code;

Resolution 4 invites shareholder to re-elect Mr Peter Milne, who retires by rotation as a Non-Executive 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;

Re-election of Directors

Following an internal evaluation of the Board's performance, the Board is satisfied that each Director standing for re-election has the skills, experience and commitment necessary to contribute very effectively to the deliberations of the Board. The Board therefore unanimously recommends the re-election of the Directors as set out in Resolutions 3, and 4.

Mr Shah and Mr Milne 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.

Resolution 5 deals with the re-appointment of Crowe Clark Whitehill LLP as the auditor of the Company and the authorisation of the Directors to determine the auditor's remuneration.

'Special business' resolutions

Resolution 6 'special business': Resolution number 6 to be proposed at the Annual General Meeting is 'special business' and will be proposed as a special resolution. This 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 up to 3,688,202 Ordinary Shares for cash on non-pre-emptive basis, which represents five per cent of the issued share capital of the Company as at the date of this document. The authority shall expire upon the conclusion of the Annual General Meeting to be held in 2017 or 30 September 2017, whichever is the earlier. The extent of the authority follows the guidelines issued by the institutional investors. There are currently no plans to allot shares for cash other than in accordance with the Articles of Association, other than in respect of employee and Non-Executive share schemes.

Resolution 7 'special business': Resolution 7 to be proposed at the Annual General Meeting is 'special business' and will be proposed as a special resolution. This resolution seeks authority for the Company to purchase up to 11,057,228 Ordinary Shares in the market. The authority is limited to a maximum aggregate number of 11,057,228 Ordinary Shares (representing 14.99 per cent of the issued share capital as at the date of this notice) and sets out the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting to be held in 2017 or 30 September 2017, whichever is the earlier. Any purchases of Ordinary Shares would be made by means of market purchase through the London Stock Exchange.

The Directors may exercise the authority to purchase the Company's Ordinary Shares but only if, in their opinion, the expected effect would be to result in an increase in net asset value per Ordinary Share and would benefit shareholders generally. Any Ordinary Shares purchased by the Company under this authority may be cancelled or held in treasury in accordance with the Isle of Man Companies Act 1931 to 2004 (Treasury Share) Resolutions 2010 at the option of the Board.

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 11.00 am on 6 September 2016 (being 48 hours before the time appointed for the Annual General Meeting). Completion and return of a form of proxy will not, however, prevent you from attending 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 – 7 (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 2,706,406 Ordinary Shares (representing 3.7 per cent of the issued ordinary share capital of the Company at the date of this notice).

Yours faithfully



Alasdair Locke
Chairman
25 July 2016

HARDY OIL AND GAS PLC

(Incorporated in the 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 Skene House Rosemount, 96 Rosemount Viaduct, Aberdeen AB25 1NX at 11.00 am on 8 September 2016 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 year ended 31 March 2016 together with the Directors' Report and Auditors' Report on those accounts;
2. to receive and consider the Director's Remuneration Report (other than the Directors' Remuneration Policy Report) as set out on pages 34 to 42 of the annual report for the year ended 31 March 2016;
3. to re-elect Pradip Shah as a Non-Executive Director of the Company;
4. to re-elect Peter Milne as a Non-Executive Director of the Company;
5. to re-appoint Crowe Clark Whitehill LLP as auditor 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 each of which will be proposed as a special resolution:

6. 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 3,688,202 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 conclusion of the next Annual General Meeting of the Company to be held in 2017 or 30 September 2017 whichever is earlier.
7. to authorise the Company, for the purpose of section 13 of the Isle of Man Companies Act 1992, to make one or more market purchases (within the meaning of section 13(2) of the said Act) of ordinary shares of US\$0.01 ("Ordinary Shares") each in the capital of the Company upon such terms and in such manner as the Directors shall determine, provided that:
 - the maximum aggregate number of Ordinary Shares authorised to be purchased is 11,057,228 Ordinary Shares which represents 14.99 per cent of the issued share capital of the Company at the date of this notice;
 - the minimum price which may be paid for such Ordinary Shares is US\$0.01 per share; (exclusive of expenses);
 - the maximum price (exclusive of expenses) which may be paid for an Ordinary Share cannot be more than an amount equal to the higher of:
 - i. 105 per cent of the average of the closing middle market price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and
 - ii. the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the trading venue or venues where the purchase is carried out;
 - unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2017 or 30 September 2017, whichever is the earlier.
 - the Company may make a contract or contracts to purchase Ordinary Shares under this authority 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 Ordinary Shares in pursuance of any such contract or contracts.

By order of the Board



R V Vanderplank
Company Secretary
25 July 2016

Notes:

1. Only those shareholders registered in the Company's register of members at 6.00 pm on 6 September 2016 or, if this meeting is adjourned, at 6.00 pm on the day two days (excluding non-business days) prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend the vote at the meeting.
2. A member of the Company entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more persons as his proxy to attend and to vote in his stead. A proxy need not be a member of the Company. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and you attend the meeting and vote in person, your proxy appointment will automatically terminate.
3. To appoint a proxy you may use the form of proxy enclosed with this notice of Annual General Meeting. To be effective, forms of proxy (together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of the same) must be completed and lodged at the Company's registered office, Fort Anne, Douglas, Isle of Man IM1 5PD, not later than 11.00 am on 6 September 2016 or, if this meeting is adjourned, at 11.00 am on the day two days (excluding non-business days) prior to the adjourned meeting. Lodgement of a form of proxy will not prevent a member from attending and voting in person.
4. A corporation which is a shareholder can appoint one or more corporation representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporation exercises powers over the same share.
5. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. Any question may be asked at the Annual General Meeting by anyone permitted to speak at the Annual General Meeting. The Company must answer any question you ask relating to the business being dealt with at the meeting unless: (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interest of the Company or the good order of the meeting that the question be answered.
7. Under section 527 of the Act, a shareholder or shareholders meeting the criteria set out in note (9) below, have the right to request the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the Annual General Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting. Where the Company is required to publish such a statement on its website: (i) it may not require the shareholder making the request to pay any expense incurred by the Company in complying with the request; (ii) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and (iii) that statement may be dealt with as part of the business of the Annual General Meeting. The request: (a) may be in hard copy form or in electronic form; (b) either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported; (c) must be authenticated by the person or persons making it; and (d) be received by the Company at least one week before the Annual General Meeting.
8. In order to be able to exercise the shareholders' right to require the Company to publish audit concerns in accordance with note (8) above, the relevant request must be made by: (i) a shareholder or shareholders having a right to vote at the Annual General Meeting and holding at least 5 per cent. of total voting rights in the Company (please see note (12) below in relation to total voting rights); or (ii) at least 100 shareholders having a right to vote at the Annual General Meeting and holding, on average, at least £100 of paid up share capital.
9. Where a shareholder or shareholders wishes to request the Company to publish audit concerns in accordance with note (8) above, such request must be made by either sending: (a) a hard copy request which is signed by the relevant shareholder or shareholders, states such persons full name(s) and address(es) and sent to the Company's registered office, Fort Anne, Douglas, Isle of Man IM1 5PD; or (b) a request which states the shareholder or shareholders' full name and address(es), and sent by email to ir@hardyoil.com.
10. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on its website in advance of the Annual General Meeting can be found at www.hardyoil.com.
11. As at the close of business on the date immediately preceding this notice the Company's issued share capital comprised 73,764,035 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 73,764,035. On a vote by a show of hands, every member who (being an individual) is present by a person, by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for every Ordinary Share held by him.
12. You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.
13. 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.

