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Immediate Release

01 April 2009



## Hardy Oil and Gas plc

("Hardy" or "the Company" or "the Group")

### **£10.8 million raised through placing**

Hardy (LSE: HDY), the oil and gas exploration and production company with interests predominantly in India, announces that the Company has raised £10.8 million (before expenses) by way of a placing by Arden Partners plc ("Arden Partners") of 6,208,997 new ordinary shares of \$0.01 each in the capital of the Company (the "Placing Shares") with institutional and other investors at a price of 174 pence per share (the "Placing Price") (the "Placing"). The Placing is being underwritten by Arden Partners. The Placing Price is at a discount of 8.3 per cent. to the middle market price of the ordinary shares of the Company as derived from the daily Official List of the London Stock Exchange on 31 March 2009, the latest date prior to the announcement.

The Placing is conditional, inter alia, upon the Company obtaining approval from its shareholders to grant the Company authority to disapply the pre-emption rights set out in the articles of association. Hardy will be sending a circular to shareholders on or around 1 April 2009 (the "Circular") convening an extraordinary general meeting of the Company to be held at the offices of Hardy at 10.00 a.m. on 24 April 2009 ("Extraordinary General Meeting"), at which the resolution disapplying pre-emption rights will be proposed for approval.

The Placing is further conditional on admission of the Placing Shares to the Official List maintained by the Financial Services Authority ("Admission") and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will occur, and dealings in the Placing Shares will begin, at 8.00 a.m. on 27 April 2009.

The Placing represents approximately 10 per cent. of the issued share capital of Hardy. The Placing Shares will, when issued, rank pari passu in all respects with the existing issued shares of Hardy, including the right to receive any dividends and other distributions declared following Admission.

A director, Mr Yogeshwar Sharma, is participating in the Placing in respect of 28,735 Placing Shares. Upon completion of the Placing, Mr Sharma will be beneficially interested in an aggregate of 4,158,135 ordinary shares of \$0.01 each in the capital of the Company representing 6.1 per cent. of the enlarged issued share capital.

Commenting on the Placing, Mr Sastry Karra, Chief Executive, said:

***“We are delighted with the strong support from our investors. The Placing will help us facilitate further exploration activities across our portfolio of assets, including those in the D3 and D9 areas of the prolific Krishna Godavari Basin in India.”***

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The Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state in the United States or any Excluded Territory and, unless an exemption under such act or laws is available may not be offered for sale or subscription or sold or subscribed directly or indirectly within the Excluded Territories or for the account or benefit of any national, resident or citizen of the Excluded Territories. No public offering of securities will be made in the United States. The distribution of this announcement in other jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Arden Partners, which is authorised and regulated by the Financial Services Authority, is acting exclusively for Hardy and for no one else in connection with the book building and the Placing and will not be responsible to anyone other than Hardy for providing the protections afforded to clients of Arden nor for providing advice in relation to the Placing or the book building or any other matters referred to in this announcement.

The contents of this announcement are not to be construed as legal, financial or tax advice. If necessary, each recipient of this announcement should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

This announcement contains certain statements that are or may be "forward-looking statements". These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. All the statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Hardy's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Hardy's products and services) are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and therefore undue reliance should not be placed on such forward-looking statements. There are a number of factors that could cause the actual results, performance or achievements of Hardy or those markets and economies to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Hardy's present and future business strategies and the environment in which Hardy will operate in the future and such assumptions may or may not prove to be correct. Forward-looking statements speak only as at the date they are made. Neither Hardy nor Arden nor any other person undertakes any obligation (other than, in the case of Hardy, pursuant to the Listing Rules and the Disclosure and Transparency Rules of the UK Listing Authority) to update publicly any of the information contained in this announcement, including any forward-looking statements, in the light of new information, change in circumstances or future events.