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REG - Hardy Oil & Gas - Drilling Update

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Hardy Oil & Gas plc
26 May 2010

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Hardy Oil and Gas plc

("Hardy" or "the Company")

Drilling Update

Hardy Oil and Gas plc (LSE: HDY), the oil and gas exploration and production company with assets predominantly in India, announces that the KGV-D3-W1 exploration well has been temporarily suspended due to unresolved mechanical issues associated with the blow out preventer (BOP) of the Deepwater Expedition drilling rig.

The KGV-D3-W1 exploration well commenced drilling on 2 April 2010 using the Transocean rig Deepwater Expedition. The well was drilled to a depth of 2,608 m MD at which time intermediate casing was set. Subsequently, the operator spent a considerable amount of time attempting to resolve a problem with the control system of the drilling rig's BOP. The operator has been unable to resolve the issue to its satisfaction and, mindful of safety and operational matters, has taken the decision to suspend the well. The operator intends to re-enter the well at the earliest possible opportunity, with an alternative deepwater rig.

The KGV-D3-W1 exploration well is located in water depth of 1,653 m. The target depth of the well, which aims to explore the hydrocarbon potential of Mio-Pliocene sands, is 3,514 m MD. The D3 licence is located in the Krishna Godavari Basin on the East Coast of India and covers an area of approximately 3,288 km². The Company holds a 10 per cent participating interest in the block, with Reliance Industries Limited holding 90 per cent as operator.

Yogeshwar Sharma, Chief Executive Officer of Hardy, commented:

"In the interest of safety, the D3 joint venture has taken the considered decision to suspend the W1 well. The operator is working towards mobilising an alternative rig at the earliest opportunity."

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GLOSSARY OF TERMS

BOP blow out preventer
D3 exploration licence KG-DWN-2003/1
km² square kilometre
m metre
MD measured depth

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 Saurashtra, Cauvery, and Krishna Godavari basins, 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.

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