The half-year report announcement for Hardy Oil and Gas plc, released at 0700 on 24 November 2017 under RNS No 4078X, has been re-released to include a correction to the segmental analysis table set out in note 3 of the accounts. The amendment has no impact on the financial position or outlook of the Company. The full amended text is provided below.

Hardy Oil and Gas plc

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

Half Year Results for the six months ended 30 September 2017

Hardy Oil and Gas plc (LSE: HDY), the oil and gas exploration and production company focused in India, reports its results for the six months ended 30 September 2017.

All financial amounts are stated in US dollars unless otherwise indicated.

SUMMARY

CY-OS/2 - Government of India's (GOI) appeal of the CY-OS/2 international arbitration award, in favour of Hardy (the Award), continued. Legal process to confirm the Award in the US is under consideration by the Washington, DC judiciary. Legal process to enforce the award in the UK was initiated.

PY-3 – Maintained compliance activities while working with the GOI, the regulatory authority - Directorate General of Hydrocarbons (DGH) - and uJV partners to establish a viable development solution to recommence production and optimise reserves. Secured consensus among partners in principle to apply for an extension of the Production Sharing Contract (PSC) beyond December 2019.

GS-01 - Resolution of the quantification of liquidated damages (LD) associated with the unfinished minimum work programme (UMWP) is awaited - GOI's agreement with the uJV's proposed estimate of LD should determine the Company's plans going forward.

Financial - Total Comprehensive loss of $2.0 million for the six months ended 30 September 2017 (H1FY17 $1.2 million) increased due to additional spending on litigation which is expected to continue at a lesser extent through FY18. Cash and short-term investments at 30 September 2017 amounted to $11.9 million; Hardy has no debt.

OUTLOOK

CY-OS/2 – The GOI Supreme Court appeal is expected to continue into 2018. Enforcement of the arbitration award within the India judicial system is our priority. However, we will continue legal process to enforce the Award in the US and the UK.

PY-3 – Secure a consensus amongst uJV partners for a Field development plan. Apply for an extension of the PSC and initiate well monitoring activity.

GS-01 – Resolution of penalties associated with UMWP are expected to continue into 2018. Further capital investment is dependent upon GOI's acceptance of the uJV's LD estimate and GOI's gas pricing policies.

Ian MacKenzie, Chief Executive Officer of Hardy, commented: "Our foremost objective is the enforcement of the CY-OS/2 Award, which will deliver new resources to the Group allowing us to expand our portfolio of upstream oil and gas assets and recommence appraisal of the CY-OS/2 natural gas discovery. The other near-term priority remains the development of a consensus on the way forward for the PY-3 oil field which should take us closer to re-commencing production."

For further information please visit www.hardyoil.com or contact:

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OVERVIEW
The Group's strategy is to be an active participant in the upstream oil and gas industry, realise value from our current India focused portfolio and pursue new opportunities as they arise. We have in place clear plans to achieve our objectives that we believe can restore value for our shareholders. The successful conclusion to the enforcement of the CY-OS/2 Award would provide Hardy with significant funds and a better position for the Group to rebuild our portfolio of upstream assets. The recommencement of production from the PY-3 field, considering current economic conditions, remains viable under several development concepts being considered by the PY-3 joint venture (uJV). The PY-3 uJV will be required to apply for an extension of the PSC by the end of December 2017. We have recommended to PY-3 partners that the uJV apply for an extension and has been accepted in principle.

India's energy consumption is projected to grow at a rate of 4.2 per cent a year faster than that of all major economies in the world. India's domestic production accounts for approximately 30 per cent of demand and as a result, the country is projected to remain import dependent. India is the world's third largest oil consuming country and is projected to overtake China as the largest growth market for energy in volume terms by 2030.

Within India's energy mix, demand for natural gas is expected to grow by about 19 per cent per annum (from 370 mmscmd in 2016 to 516 mmscmd in FY2023) to meet the ever-increasing requirements of the power, fertiliser and other industries. The Compressed Natural Gas (CNG) and city gas sector are also projected to see a quantum growth in natural gas use. Domestic supply by 2018 is projected to be 231 mmscmd, falling short of expected demand. Global crude oil markets continued to trade within a band of $50 to $60 per barrel and we have observed a continuing trend of declining service and capital costs.

As at 30 September 2017, the Company had over $11.9 million of cash and short-term investments with no debt. The Group maintains robust internal control and risk management systems appropriate for a Company of our size and resources.

OPERATIONAL REVIEW
Block CY-OS/2:
Appraisal (Hardy 75 per cent interest – Operator)

Litigation - On 27 July 2016 the GOI's second appeal to the Delhi HC Division Bench was dismissed based on jurisdiction. The GOI has subsequently filed a Special Leave Petition with the Supreme Court (SC) of India challenging the Delhi HC Division Bench ruling. The legal process has been significantly delayed by 9 adjournments being requested by the GOI and the SC granting such adjournments. To date Hardy has not requested any adjournments to mutually agreed hearing dates.

Hardy has previously filed an execution petition with the Delhi HC and this has run in parallel with the GOI's appeal. The Delhi HC execution petition has been continually adjourned due to the ongoing GOI appeal in the SC. It is expected that the execution hearings will progress should GOI's appeal in the SC be dismissed.

In late July 2017, the Group initiated enforcement proceedings in the UK's High Court of Justice. The Group had previously initiated Confirmation proceedings in the Federal Court of Washington DC, United States of America. These actions have been initiated to maintain the option to enforce the Award in the US and the UK. The Confirmation proceedings in the Federal Court of DC have been delayed due to the GOI requesting, and the court granting, an extension of time on five occasions amounting to over

22 weeks. Our primary objective remains to conclude the appeal and enforcement process within the Indian judicial system. The conclusion of the legal process within Indian institutions will validate our long-standing commitment to India and facilitate our future participation in meeting the country's growing energy requirements.

Contingent asset – As at 30 September 2017, Hardy's 75 per cent share of the compensation awarded by the Hon'ble Arbitration Tribunal amounted to approximately $68.7 million.

Objective – We will continue to seek the restoration of the block to the CY-OS/2 joint venture in a timely manner. The appeal and enforcement process in India is likely to continue into 2018. The Group believes that it has a strong position as the unanimous international award, passed by three former Chief Justices of India, is well reasoned. Hardy intends to recommence work on the appraisal of the Ganesha-1 natural gas discovery once the block has been restored to the CY-OS/2 joint venture.

Background – Hardy is the operator of the CY-OS/2 exploration block and holds a 75 per cent participating interest. The block is in the northern part of the Cauvery Basin immediately offshore from Pondicherry, India and covers approximately 859 km^2. The Ganesha-1 discovery well was drilled to a depth of 4,089 m and on testing the well flowed natural gas at a peak rate of 10.7 mmscfd.

Award summary – relinquishment by the Ministry of Petroleum and Natural Gas (MOPNG) of the GOI was illegal; the unincorporated Joint Venture (uJV) shall be entitled to a period of three years from the date on which the block is restored to it, to carry out further appraisal; the uJV shall be paid compensation calculated at the simple rate of 9 per cent per annum on the amount of Rs. 5.0 billion from the date of relinquishment till the date of the award; interest will then accrue at a rate of 18 per cent per annum on the amount of Rs. 5.0 billion until the block is restored to the uJV.

Block CY-OS 90/1 (PY-3):
Oil Field (Hardy 18 per cent interest – Operator)

Operations – The PY-3 field was shut-in in July 2011. Since then Hardy has been working diligently to establish a consensus amongst stakeholders regarding the optimal development of the field with an objective to recommence production.

The Production Sharing Contract's primary term is due to expire in December 2019 and it is eligible for an extension of up to ten years. The application must be filed by the end of December 2017 and must include a Full Field Development Plan (FFDP) agreed by all uJV partners.

To date the deliberations of a proposed FFDP have been protracted due to a requirement of ONGC (as GOI Licensee) to pay 100 per cent of the Cess (20 per cent of gross revenue) and royalty (10 per cent of well head value) charges, making its investment unviable. The GOI extension policy requires all the parties, among other conditions, to pay the Cess and royalty in proportion to their respective participating interests. This condition eliminates a key matter which has frustrated our consensus building efforts. As a result, we anticipate a consensus regarding PY-3's FFDP will be reached shortly to facilitate the application for an extension. Failure to achieve this will result in the expiry of the PSC by December 2019 and prompt Hardy to start planning for decommissioning. Hardy believes that there are viable development scenarios which merit investment and we have recommended to the uJV to apply for an extension.

Samson Maritime Limited (Samson) has previously secured an award, amounting to $5.0 million, against Hardy for offshore services provided during 2011 and 2012. The full amount of the award is included in current liabilities. Samson has subsequently filed an execution petition with the Madras High Court which recently issued an award attaching several of Hardy Exploration & Production (India) Inc's

(HEPI) Indian based bank accounts. HEPI has implemented measures to allow it to continue to settle its liabilities in India and plans to seek partial relief from the attachment order.

In March 2017, Hardy initiated arbitration with the uJV partners to collect outstanding amounts associated with expenditures incurred by the Group in fulfilling its responsibilities as operator of PY-3 including Samson. The uJV partners have made several counter claims for substantial damages they attribute to alleged Gross Negligence and a cross claim by ONGC for the reimbursement of Cess and Royalty paid since commencement of production. We believe that all counter claims are baseless and without merit. The dispute resolution process is expected to conclude in the second half of 2018.

Objective – Establish a consensus among uJV partners on a viable development plan for the recommencement of production and apply for the extension of the PSC by the end of December 2017. It is expected that offshore activity could commence within 9 to 12 months of the sanctioning of the development plan by the Management Committee. The development plans under consideration would require funding more than the Group's current cash resources prior to any financing arrangements that may be implemented.

Background – The PY-3 field is located off the east coast of India, 80 km south of Pondicherry in water depths between 40 m and 450 m. The licence covers 81 km^2 and produces high quality light crude oil. The field has produced over 24.8 mmbbl and was shut-in in July 2011 due to the expiry of the production facilities' marine classification and absence of budgetary approval to extend the contract.

Block GS-OSN-2000/1 (GS-01):
Appraisal (Hardy 10 per cent interest)

Operations – The matter of possible liquidated damages associated with unfinished minimum work programme (UMWP), which has been under consideration since 2009, continued to be deliberated by the GOI and the operator. It is our understanding that this is a common matter for NELP I to VII licences starting from 2005 to 2016, including the Group's D9 licence relinquished in 2012. Hardy and other operators have been working with industry associations to develop a policy to facilitate a resolution. The GS-01 uJV has conveyed to the GOI that this matter needs to be closed out prior to the progression of further activity on the block. The Group has previously provided for $0.3 million of liquidated damages which is Hardy's share of the Operator's estimate.

Objective – Finalise the quantum of liquidated damages outstanding prior to concluding discussions with our partner to acquire its participating interest and the Operatorship of the block. Following this, a priority will be to revisit a proposed FDP taking into consideration the prevailing commodity pricing and reduced cost environment.

Background – In 2011, the GS-01 joint venture secured the GOI's agreement for the declaration of commerciality (DOC) proposal for the Dhirubhai 33 discovery GS01-B1 (drilled in 2007) which flow-tested at a rate of 18.6 mmscfd gas with 415 bbld of condensate through a 56/64 inch choke at flowing tubing head pressure of 1,346 psi. The GS-01 licence is in the Gujarat-Saurashtra offshore basin off the west coast of India, north west of the prolific Bombay High oil field, with water depths varying between 80 m and 150 m. The retained discovery area covers 600 km^2.

FINANCIAL REVIEW

In the six months ended 30 September 2017, the Group recorded a total comprehensive loss of $2.0 million. As at 30 September 2017 the Company held total cash and short-term investments of $11.9 million with no debt.

	H1 FY18 (unaudited) US$ million	H1 FY17 (unaudited) US$ million	FY17 (audited) US$ million
Operating expense Costs associated with storage of inventory	**(0.1)**	**(0.1)**	0.5
Impairment of PY-3	**-**	**-**	(3.0)
Administrative expense The Group incurred a significant increase in administrative expenses due to an increase in legal fees of $0.9 million. This increase was expected as the Company continued to advance the enforcement of the CY-OS/2 Award in India and the US and initiated the process in the UK. The Company is also involved in arbitration to recover cost from PY-3 partners and disputing claims made by other contractors. Non-legal administrative expenditure decreased by over $0.1 million.	**(2.1)**	(1.4)	(2.6)
Investment income and finance cost The Group realised interest income of $0.2 million and no finance costs.	**0.2**	0.2	0.4
Taxation No current tax is payable for the six months ended 30 September 2017. Having consideration for the medium-term outlook for the oil price and continued delay of sanctioning of the PY-3 asset, the projected tax payable that may be offset by the Group's carried forward amount was not recognised. The Group had previously provided for the write-down of the deferred tax asset by $4.5 million in FY17.	**-**	-	(4.5)
Total comprehensive loss The Group's increase in total comprehensive loss is attributable to the increase Administrative expense driven by increased legal expenses.	**(2.0)**	(1.2)	(9.2)

Statement of financial position	**H1 FY18 (unaudited) US$ million**	FY17 (audited) US$ million
Non-current assets Non-current assets primarily represent successful or work-in-progress exploration expenditure. This includes an Intangible asset of $51.1 million attributable to CY-OS/2 and an Indian Rupee denominated site restoration deposit of $4.9 million. The Company regularly reviews the underlying assumptions used to support the carrying value of the assets including commodity prices, cost estimates and any changes in taxation. Over $3.0 million of property plant and equipment, associated with the PY-3 field, was written off in FY17. Contingent Asset - The CY-OS/2 Arbitration award in favour of Hardy also entitles the Company to compensation of $68.7 million.	**56.0**	55.9
Current assets The Group's cash and short-term investments reduced by $2.6 million to $11.9 million. This is primarily due to the payment of general and administrative expenses. Trade and other receivables of $4.6 million represent amounts due to be recovered from joint arrangements operated by Hardy.	**17.4**	19.3
Non-current liabilities The Group's non-current liabilities represent a provision for the decommissioning of the PY-3 field. The provision has been estimated based on observed long-term industry cost trends.	**4.5**	4.5
Current liabilities Trade and other accounts payable comprises of amounts due to vendors and other provisions associated with various joint arrangements.	**8.4**	8.1

	H1 FY18 (unaudited) US$ million	H1 FY17 (unaudited) US$ million	FY17 (audited) US$ million
Cash flow (used in) operating activities Cash used in operating activities of $(2.3) million comprised primarily of administrative costs. Net debtor and creditor movement was $(0.4) million.	**(2.7)**	(1.7)	(3.1)
Capital expenditure The Company did not incur any material capital expenditures in the year. A $0.2 million charge is associated with the reinvestment of interest accrued on a deposit committed to site restoration of the PY-3 field	**(0.2)**	(0.2)	(0.4)
Financing activity Interest and investment income, realised predominantly from Indian rupee deposits, amounted to $0.2 million.	**0.2**	0.2	0.4
Cash and short-term investments Sufficient resources are available to meet ongoing operating and administrative expenditure. The Group has no debt.	**11.9**	15.9	14.5

PRINCIPAL RISKS AND UNCERTAINTIES

As an oil and gas exploration and production Group with operations focused in India, Hardy is subject to a variety of risks and uncertainties. Managing risk effectively is a critical element of our corporate responsibility and underpins the safe delivery of our business plans and strategic objectives.

Principal risks and uncertainties

The underlying risks and uncertainties inherent in Hardy's current business model have been grouped into four categories; strategic, financial, operational and compliance. The Board has identified principal risks and uncertainties for FY18 and established clear policies and responsibilities to mitigate their possible negative impact on the business, a summary of which is provided below:

Risk or uncertainty	Mitigation action
Strategic – In the short term the Group's strategy is predominantly influenced by ongoing arbitration and litigation and the outcome of such. The Group seeks to mitigate risks inherent with such litigious matters, however duration is out of the control of the Group and the risk of an adverse outcome cannot be fully mitigated. It is the Group's intention to rebuild a portfolio of upstream oil and gas assets upon conclusion of the CY-OS/2 dispute and the securing of an extension to the PY-3 PSC.	
1. Asset portfolio exclusively in one geopolitical region	Convey business constraints to accomplishing our objective via direct and open dialogue with government officials, active participation in industry lobby groups including the Association of Oil and Gas Operators. Further additions to the Group's portfolio may be considered once tangible progress is made in our existing portfolio.
Financial - Volatility in international crude oil prices and India's natural gas administered pricing policy may adversely affect some of the Group's prospects and projected results from future operations. Other major financial risks facing the Group could be: financing constraints for further appraisal and development; cost overruns; and adverse results from ongoing or pending litigation.	
1. Prolonged delay in enforcement of CY-OS/2 Award	Secure high quality and reputable legal counsel. Management of stakeholder expectation. Preserve right to enforce in other jurisdictions.
2. Arbitration and Litigation – the Group is involved in disputes with service providers, uJV partners and Indian tax authorities	The Group has secured high quality, reputable professional advisors and legal counsel in India and other jurisdictions. Proactive and constructive engagement with uJV partners. Sanctioning of a PY-3 FFDP may mitigate several outstanding or pending disputes.
3. Cost of litigation	Budget for litigation remains high. Effective management and monitoring of advisory costs. Explore timely resolution of disputes that are not strategic in nature.
4. Liquidated damages started (LD), unfinished Minimum Work Programme (MWP)	Monitor through media and dialogue with operator, prepare for possible dispute. Engagement with industry lobby groups to facilitate formulation of industry wide resolution. A provision has been made based on management's assessment of a reasonable outcome.
Operational – Offshore exploration and production activities by their nature involve significant risks. Risks such as delays in executing work programmes, construction and commissioning of production facilities or other technical difficulties, lack of access to key infrastructure, adverse weather conditions, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected geological formations, explosions and other acts of God are inherent to the business.	

1. Securing approval for further development of PY-3 including extension of the PSC	Communication with partners to address individual interests and agendas. Clearly formulate and articulate mutually beneficial proposals. Mitigate expenditures prior to budget approvals. Endeavour to comply with all criteria outlined in the GOI's extension policy.
2. PY-3 HSE – status of PY-3 wells	Four subsea wells were securely shut-in in March 2012. The shut-in of wells has been longer than expected and, in the absence of an extension of the PSC full abandonment of the PY-3 field may need to be initiated.
3. Contractual dispute with uJV partners	Maintain communication with senior members of uJV partners. In April 2017, Hardy initiated the dispute resolution procedures provided for under the PY-3 joint operating agreement by instigating binding arbitration proceedings. uJV partners have filed counter claims.
4. Enforcement of arbitration award	Samson Maritime Limited has secured an award against HEPI on PY-3 which is enforceable in India. Samson has secured against various assets of the wholly owned subsidiary. This has resulted in some business disruption and the Company is seeking various legal remedies. Processes and procedures are in place to mitigate the impact of enforcement proceedings.

Compliance – The Group's current business is dependent on the continuing enforceability of the PSCs, farm-in agreements, and exploration and development licences. The Group's core operational activities are dependent on securing various governmental approvals. Developments in politics, laws, regulations and/or general adverse public sentiment could compromise securing such approvals in the future.

1. Regulatory and political environment in India	Ensure full compliance of all laws, regulations and provision of contracts. Develop sustainable relationships with government and communities. Actively collaborate with industry groups to formulate and communicate interests to government authorities.
2. Taxation and third-party claims	Secured the services of leading professional and legal service providers. Proactive communication with taxation authorities to ensure queries are addressed and assessments are agreed or challenged as required.

RESPONSIBILITY STATEMENT

Each of the directors of the company confirms that to the best of his or her knowledge:

a. the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

b. the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

c. the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein);

On behalf of the Board

Ian MacKenzie,
Chief Executive Officer
24 November 2017

INDEPENDENT REVIEW REPORT TO HARDY OIL AND GAS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the 6 months ended 30 September 2017 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash flows and the related explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, as a body, in accordance with our instructions. Our review has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have reached.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note one, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 6 months ended 30 September 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Crowe Clark Whitehill LLP
Statutory Auditor
24 November 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 September 2017

	6 months ended 30 September 2017 US$ (Unaudited)	6 months ended 30 September 2016 US$ (Unaudited)	12 months ended 31 March 2017 US$ (Audited)
Continuing Operations			
Revenue	**-**	-	-
Cost of Sales			
Production costs	**(146,778)**	(106,735)	514,525
Unsuccessful exploration costs	**-**	(174)	-
Impairment of Block CY-OS-90/1 (PY3)	**-**	-	(3,026,688)
Gross loss	**(146,778)**	(106,909)	**(2,512,163)**
Administrative expenses	**(2,125,769)**	(1,363,035)	(2,614,386)
Operating loss	**(2,272,547)**	(1,469,944)	(5,126,549)
Interest and investment income	**235,090**	221,464	429,857
Finance costs	**-**	-	-
Loss before taxation	**(2,037,457)**	(1,248,480)	(4,696,692)
Taxation	**-**	-	(4,485,662)
Total comprehensive loss for the period attributable to owners of the parent	**(2,037,457)**	(1,248,480)	(9,182,354)
Loss per share			
Basic & diluted	**(0.06)**	(0.03)	(0.12)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 30 September 2017

	Share capital US$	Share Premium US$	Shares to be issued US$	Retained earnings / (loss) US$	Total US$
At 1 April 2016	737,641	120,936,441	1,854,349	(51,827,964)	71,700,467
Total Comprehensive loss for the period	-	-	-	(1,248,480)	(1,248,480)
Share based payment	-	-	40,860	-	40,860
Adjustment of lapsed vested options	-	-	(10,944)	10,944	-
At 30 September 2016 (Unaudited)	**737,641**	**120,936,441**	**1,884,265**	**(53,065,500)**	**70,492,847**
At 1 April 2016	737,641	120,936,441	1,854,349	(51,827,964)	71,700,467
Total Comprehensive loss for the period	-	-	-	(9,182,354)	(9,182,354)
Share based payment	-	-	78,163	-	78,163
Adjustment of lapsed vested options	-	-	(1,168,024)	1,168,024	-
At 31 March 2017 (Audited)	737,641	120,936,441	764,488	(59,842,294)	62,596,276
At 1 April 2017	**737,641**	**120,936,441**	**764,488**	**(59,842,294)**	**62,596,276**
Total Comprehensive loss for the period	-	-	-	(2,037,457)	(2,037,457)
At 30 September 2017 (Unaudited)	**737,641**	**120,936,441**	**764,488**	**(61,879,751)**	**60,558,819**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	30 September 2017 US$ (Unaudited)	30 September 2016 US$ (Unaudited)	31 March 2017 US$ (Audited)
Assets			
Non-Current assets			
Property, plant and equipment	**19,929**	3,054,145	24,885
Intangible assets	**51,129,637**	51,131,364	51,130,501
Site restoration deposits	**4,883,836**	4,470,829	4,723,237
Deferred tax asset	**-**	4,485,662	-
Total non-current assets	**56,033,402**	63,142,000	55,878,623
Current assets			
Inventories	**942,365**	942,365	942,365
Trade and other receivables	**4,565,218**	3,573,786	3,862,656
Short-term investments	**11,386,345**	15,431,336	14,179,026
Cash and cash equivalents	**503,724**	516,077	286,881
Total current assets	**17,397,652**	20,463,564	19,270,928
Total assets	**73,431,054**	83,605,564	**75,149,551**
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	**737,641**	737,641	737,641
Share premium	**120,936,441**	120,936,441	120,936,441
Shares to be issued	**764,488**	1,884,265	764,488
Retained loss	**(61,879,751)**	(53,065,500)	(59,842,294)
Total equity	**60,558,819**	70,492,847	**62,596,276**
Non-current liabilities			
Provision for decommissioning	**4,452,916**	5,256,097	4,452,916
Current liabilities			
Trade and other payables	**8,419,319**	7,856,620	8,100,359
Total current liabilities	**8,419,319**	7,856,620	8,100,359
Total liabilities	**12,872,235**	13,112,717	12,553,275
Total equity and liabilities	**73,431,054**	83,605,564	**75,149,551**

Approved and authorised for issue by the Board of Directors on 23 November, 2017

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 September 2017

	6 months ended 30 September 2017 US$ (Unaudited)	6 months ended 30 September 2016 US$ (Unaudited)	12 months ended 31 March 2017 US$ (Audited)
Operating activities			
Operating loss	**(2,272,547)**	(1,469,944)	(5,126,549)
Unsuccessful exploration costs	**-**	174	-
Impairment of Block PY 3		-	3,026,688
Depletion and depreciation	**7,038**	9,009	18,772
Share-based payments	**-**	40,860	78,163
Decrease / (increase) in trade and other receivables	**(702,924)**	(422,689)	(710,767)
(Decrease) / increase in trade and other payables	**318,958**	32,710	(526,559)
Cash flow (used in) operating activities	**(2,649,475)**	(1,809,880)	(3,240,252)
Taxation refund	**362**	99,139	98,347
Net Cash (used in) operating activities	**(2,649,113)**	(1,710,741)	(3,141,905)
Investing activities			
Expenditure on other fixed assets	**(1,218)**	-	(6,328)
Site restoration deposit	**(160,599)**	(159,631)	(412,039)
Realised from short term investments	**2,792,683**	1,336,606	2,588,917
Net cash from investing activities	**2,630,866**	1,176,975	2,170,550
Financing activities			
Interest and investment income	**235,090**	221,464	429,857
Net cash from financing activities	**235,090**	221,464	429,857
Net increase / (decrease) in cash and cash equivalents	**216,843**	(312,302)	(541,498)
Cash and cash equivalents at the beginning of the period	**286,881**	828,379	828,379
Cash and cash equivalents at the end of the period	**503,724**	516,077	286,881

1. Accounting Policies

i) Basis of preparation

These interim consolidated financial statements are for the six months ended 30 September 2017 and have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Statements*". The accounting policies applied are consistent with International Financial Reporting Standards (IFRS) adopted for use by the European Union. The accounting policies and methods of computation used in the interim consolidated financial statements are consistent with those used in the Company's Annual Report for 2017 and are expected to be applied for the year ended 31 March 2018.

ii) Cyclicality

The interim results for the six months ended 30 September 2017 are not necessarily indicative of the results to be expected for the financial year 2018. The operations of Hardy Oil and Gas plc are not affected by seasonal variations.

iii) Full year comparative information in interim results

The financial information for the year ended 31 March 2017 does not constitute the Company's statutory accounts for that year, but is derived from those accounts. Statutory accounts for 2017 are available at the Company's website. The auditors reported on those accounts and their report was unmodified.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2017.

2. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are addressed below:

i) Intangible assets - exploration

Hardy has been awarded costs and interest after the conclusion of the arbitration on the CY-OS/2 block, in which it holds a 75 per cent participating interest. Hardy's share of these awards totals approximately $68.7 million and has been disclosed as a contingent asset. This is regarded as a significant area of judgment and full details are disclosed in note 7 to these financial statements.

ii) Decommissioning

The liability for decommissioning is updated to the current cost estimates of decommissioning. Accordingly, the provision made in the books will reflect the risk free discounted future cost for decommissioning and this is an annual adjustment based on prevailing market rates for equipment and other factors.

iii) Deferred Tax Asset

The deferred tax asset will be realised with the recommencement of production from PY-3 field and also from the production of oil and gas from those areas which are available for commercial development. Further details are contained in note 4.

iv) Depletion

Depletion is based on best estimates of commercial reserves existing as at the balance sheet date. The determination of commercial reserves is based on assumptions which include those relating to the future prices of crude oil and natural gas, capital expenditure plans, cost of production and other factors.

3. Segment analysis

The Group is organised into two business units as at end of the year: India and United Kingdom. The India business unit is operated by the wholly owned subsidiary, Hardy Exploration & Production (India) Inc. and Hardy Oil and Gas plc operates in the United Kingdom.

The India business unit focuses on exploration and production of oil and gas assets in India. The United Kingdom business unit is the holding company. Management monitors these business units separately for resource allocation, decision making and performance assessment.

	September 2017 US$			
	India	**UK**	**Inter-segment eliminations**	**Total**
Revenue				
Other income	-	-	-	-
Operating profit/ (loss)	(1,499,458)	(773,089)	-	(2,272,547)
Interest income	161,059	74,031	-	235,090
Interest income on inter-corporate loan	-	1,070,829	(1,070,829)	-
Interest expense on inter-corporate loan	(1,070,829)	-	1,070,829	-
Loss before taxation	(2,409,228)	371,771	-	(2,037,457)
Taxation	-	-	-	-
Loss for the period	(2,409,228)	371,771	-	(2,037,457)
Segment assets	61,781,874	11,649,178	-	73,431,052
Inter-corporate loan (net-off impairment)	-	48,338,868	(48,338,868)	-
Segment liabilities	(12,747,605)	(124,621)	-	(12,872,226)
Inter-corporate borrowings	(110,819,178)	-	110,819,178	-
Capital expenditure	286	932	-	1,218
Depreciation, depletion and amortisation	(3,961)	(3,078)	-	(7,039)

	September 2016 US$			
	India	**UK**	**Inter-segment eliminations**	**Total**
Revenue				
Other income	-	-	-	-
Operating loss	(625,386)	(844,558)	-	(1,469,944)
Interest income	179,679	41,785	-	221,464
Interest income on inter-corporate loan	-	714,356	(714,356)	-
Interest expense on inter-corporate loan	(714,356)	-	714,356	-
Loss before taxation	(1,160,063)	(88,417)	-	(1,248,480)
Taxation	-	-	-	-
Loss for the period	(1,160,063)	(88,417)	-	(1,248,480)
Segment assets	68,781,923	14,844,285	-	83,626,208
Inter-corporate loan	-	108,363,318	(108,363,318)	-
Segment liabilities	(12,996,953)	(115,763)	-	(13,112,716)
Inter-corporate borrowings	(108,363,318)	-	108,363,318	-
Unsuccessful exploration costs	(174)	-	-	(174)
Depreciation, depletion and amortisation	(3,405)	(5,604)	-	(9,009)

2017 US$	India	UK	Inter-segment eliminations	Total
Revenue				
Other income	**-**	**-**	**-**	**-**
Operating loss	(3,488,958)	(1,637,591)	-	(5,126,549)
Interest income	332,430	97,427	-	429,857
Interest income on inter-corporate loan	-	1,517,533	(1,517,533)	-
Impairment of investment in & loan to subsidiary	-	(65,873,695)	65,873,695	-
Interest expense on inter-corporate loan	(1,517,533)	-	1,517,533	-
Loss before taxation	(4,674,061)	(65,896,326)	65,873,695	(4,696,692)
Taxation	(5,321,891)	836,229	-	(4,485,662)
Loss for the period	(9,995,952)	(65,060,097)	65,873,695	(9,182,354)
Segment assets	60,729,662	14,419,889	-	75,149,551
Inter-corporate loan (net of impairment)	-	47,627,764	(47,627,764)	-
Segment liabilities	(12,406,501)	(146,774)	-	(12,553,275)
Inter-corporate borrowings	(109,748,349)	-	109,748,349	-
Capital expenditure	3,998	2,330	-	6,328
Unsuccessful exploration costs	-	-	-	-
Impairment of Block CY-OS-90/1	(3,026,688)	-	-	(3,026,688)
Depreciation, depletion and amortisation	(7,257)	(11,515)	-	(18,772)

The Group is engaged in one business activity, the exploration, development and production of oil and gas. Other income relates to technical services to third parties, overhead recovery from joint venture operations and miscellaneous receipts, if any. Revenue arises from the sale of oil produced from the contract area PY-3 India and the revenue by destination is not materially different from the revenue by origin.

4. Taxation

Analysis of taxation (credit) for the period

	Sep 2017 US$	Sep 2016 US$	Mar 2017 US$
Current tax charge			
UK corporation Tax	**-**	-	-
Foreign Tax – India	**-**	-	-
Minimum alternate tax	**-**	-	-
Foreign tax – USA	**-**	-	-
Total current tax (credit)	**-**	-	-
Deferred tax (credit)	**-**	-	4,485,662
Taxation (credit)	**-**	-	4,485,662

Having consideration for the medium-term outlook for the oil price and continued delay of sanctioning of the PY-3 asset, the projected tax payable that may be offset by the Group's carried forward amount was not recognised.

Indian operations of the Group are subject to a tax rate of 41.2 per cent which is higher than UK and US corporation tax rates. To the extent that the Indian profits are taxable in the US and/or the UK, those territories should provide relief for Indian taxes paid, principally under the provisions of double taxation agreements. When considering deferred tax assets the Group considers the highest and best use of the losses available, this is considered to be in India. Based on the current expenditure plans, the Group anticipates that the tax allowances will continue to exceed the depletion charge of each year, though the timing of related tax relief is uncertain.

The deferred tax asset will be realised upon production from the PY-3 field which Management expects to recommence during 2018. The assumptions considered to determine a future tax liability that may be offset from the Group's carried forward tax losses has been consistent with those assumptions provided for in Note 6.

5. Loss per share

Loss per share is calculated on a loss of US$ 2,037,457 for the six months ended 30 September 2017 (September 2016: US$1,248,480) on a weighted average of 36,882,018 Ordinary Shares for the six months ended 30 September 2017 (September 2016: 36,882,018). No diluted loss per share is calculated.

6. Property, plant and equipment

	Oil and gas assets US$	**Other fixed assets US$**	**Total US$**
Cost			
At 1 April 2016	35,465,279	1,780,170	37,245,449
Additions	-	-	-
Depletions	-	-	-
At 30 September 2016	**35,465,279**	**1,780,170**	**37,245,449**
At 1 April 2017	35,465,279	1,786,498	37,251,777
Additions	-	1,218	1,218
Depletions	-	-	-
At 30 September 2017	**35,465,279**	**1,787,716**	**37,252,995**
Depletion, Depreciation and amortisation			
At 1 April 2016	32,438,591	1,744,568	34,183,159
Charge for the period	-	8,145	8,145
At 30 September 2016	**32,438,591**	**1,752,713**	**34,191,304**
At 1 April 2017	35,465,279	1,761,626	37,226,905
Charge for the period	-	6,175	6,175
At 30 September 2017	**35,465,279**	**1,767,801**	**37,233,080**
Net book value at 30 September 2017	**-**	**19,915**	**19,915**
Net book value at 30 September 2016	3,026,688	27,457	3,054,145

7. Intangible assets

	Exploration US$	Others US$	**Total US$**
Costs and net book value			
At 1 April 2016	51,128,272	3,956	**51,132,228**
Additions (Net of depletion)	-	(864)	**(864)**
At 30 September 2016	**51,128,272**	**3,092**	**51,131,364**
At 1 April 2017	51,128,272	2,229	**51,130,501**
Additions (Net of depletion)	-	(864)	**(864)**
At 30 September 2017	**51,128,272**	**1,365**	**51,129,637**

The details of the intangible assets stated above are as follows:

	US$
Exploration expenditure – block CY-OS/2	51,128,272
Total	**51,128,272**

Legal proceedings concerning block CY-OS/2

In March 2009, Hardy were informed by the Government of India that the block CY-OS/2, in which Hardy holds a 75 per cent participating interest, was relinquished as Hardy had failed to declare commerciality within the two years from the date of discovery which is applicable to an oil discovery. Hardy disputed this ruling believing that the discovery was a gas discovery and consequently that it was entitled to a period of five years from the date of discovery to declare commerciality. As no agreement was reached the dispute was referred to arbitration under the terms of the PSC.

The arbitrators ruled on 2 February 2013 that the discovery was a gas discovery and consequently that the order for the relinquishment of the block was illegal. The arbitrators have ordered the Government of India to restore the block to Hardy and its partners and to allow them a period of three years from the date of restoration to complete the appraisal programme. In addition, the arbitrators awarded costs of $0.2 million and interest on the exploration expenditure incurred to date. As at 30 September 2017, Hardy's 75 per cent share of the interest awarded is approximately $ 68.7 million.

On 2 August 2013, the Government of India (GOI) filed an appeal, against the arbitration award, with the High Court (HC) Delhi. On 27 July 2016, the GOI's second appeal to the Delhi HC was dismissed based on jurisdiction. The GOI subsequently filed a Special Leave Petition with the Supreme Court of India challenging the Delhi HC ruling. The appeal is ongoing and the next hearing at the Supreme Court is scheduled for November 2017. Hardy has previously filed an execution petition with the Delhi HC and this has run in parallel with the GOI's appeal although the matter has been continually adjourned due to the ongoing GOI appeal. It is expected that the execution hearings will progress upon the conclusion of the GOI's appeal to the Supreme Court of India.

The Group believes that the unanimous international tribunal award is well reasoned and, based upon external legal advice that the award may not be subject to appeal in the Indian courts as per the India Arbitration and Conciliation Act 1996.

In late July 2017, the Group initiated enforcement proceedings in the UK's High Court of Justice. The Group had previously initiated confirmation proceedings in the Federal Court of Washington DC, United States of America. These actions have been initiated to maintain the option to enforce the Award in the US and UK. Our primary objective remains to conclude the appeal and enforcement process within the Indian judicial system.

8. Share capital

The Company has authorised share capital of 200 million US$ 0.01 ordinary shares. Changes in issued and fully paid ordinary shares during the six months ended 30 September 2017 are as follows:

	Number US$ 0.01 Ordinary shares	**US$**
At 1 April 2017	73,764,035	737,641
Share options exercised during the period	-	-
Restricted shares issued during the period	-	-
At 30 September 2017	73,764,035	737,641

9. Share Options

Changes in outstanding share options during the six months ended 30 September 2017 are summarised below:

	Number of options	**Weighted average price £**
Outstanding at beginning of the period	675,000	1.70
Lapsed during the period	-	-
Outstanding at the end of the period	675,000	1.70
Exercisable at the end of period	100,000	7.69

Detail regarding the estimated fair value of granted share options has been set out in note 9 (page 64) of the Company's 2017 Annual Report and Accounts.

10. Contingent liabilities

Liquidated Damages
The Group has minimum work commitments in associated with various exploration licences granted by sovereign authorities through joint arrangements. A number of these commitments have not been fulfilled and as a consequence the Group is liable to pay liquidated damages. When a liquidated damage payment is probable a provision is created based on management's best judgement. In some instances there may be a high degree of uncertainty. In such instances an additional contingent liability is recognised. Currently a contingent liability estimated at $1.7 million associated with unfinished minimum work programme liquidated damages. Management do not expect this to be resolved in the next twelve months.

Litigation
In the normal course of business the Group may be involved in legal disputes which may give rise to claims. Provision is made in the financial statements for all claims where a cash outflow is considered probable. No separate disclosure is made of the detail of claims as to do so could seriously prejudice the position of the Group.

Others
In addition, the parent company guarantees the Group's obligations under various PSC's to the Government of India. These guarantees are deemed to have negligible fair value and are therefore accounted for as contingent liabilities.

11. Dividends

The Board of Directors do not recommend the payment of an interim dividend for the period ended 30 September 2017.

12. Approval of interim Consolidated Financial Statements

These interim consolidated financial statements have been approved by the Board of Directors on 23 November 2017

GLOSSARY OF TERMS

$	United States Dollar
API°	American Petroleum Institute gravity
bbl	Stock tank barrel
bbld	stock tank barrel per day
CY-OS/2	Offshore exploration licence CY-OS/2 located on the east coast of India
DGH	Directorate General of Hydrocarbons a department of the MOPNG
Dhirubhai 33	gas discovery on GS-01-B1 announced on 15 May 2007
DOC	Declaration of Commerciality
FFDP	comprehensive full field development plan
FY	Financial year ended 31 March
GAIL	Gas Authority of India Limited
Ganesha-1	Non-associated natural gas discovery on Fan-A1 well located in CY-OS/2
GOI	Government of India
GS-01	Exploration licence GS-OSN-2000/1
H1	First half of the fiscal year or the six months ended 30 September
Hardy	Hardy Oil and Gas plc
HC	Delhi High Court of India
HEPI	Hardy Exploration & Production (India) Inc
HSE	Health Safety and Environment
km	kilometre
km^2	square kilometre
LD	Liquidated damages
LSE	London Stock Exchange
m	metre
MC	Management committee – which is the composite authority to approve budgets and work programmes within the provision of PSC's. Membership includes the participating interest holders and GOI officials.
mmscfd	million standard cubic feet per day
mmscmd	million standard cubic metres per day
MOPNG	the Ministry of Petroleum and Natural Gas of the Government of India
UMWP	Unfinished minimum work programme – a biddable commitment to the GOI to undertake certain field operations in consideration of the award of exploration rights to a defined area.
uJV	unincorporated joint venture
NANG	non associated natural gas
OC	Operating Committee – a committee comprising of participating interest holders in PSC's. The committee is charged with establishing work programmes and budgets to be recommended to the MC
PSC	production sharing contract
psi	pounds per square inch
PY-3	licence CY-OS-90/1
Rs.	Indian rupee
the Award	Tribunal arbitration award in favour of the CY-OS/2 uJV ruling that the GOI relinquishment of the GS-01 PSC was illegal, the block is to be restored and the uJV permitted three years to complete appraisal of a gas discovery. Further compensation is to be paid to the uJV.
the Company	Hardy Oil and Gas plc
the Group	Hardy Oil and Gas plc and Hardy Exploration & Production (India) Inc.

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