HARDMAN RESOURCES LTD
ABN 98 009 210 235
Level 1, 50 Kings Park Road, West Perth
PO Box 869, West Perth
Western Australia 6872
Tel: +61 8 9261 7600 Fax: +61 8 9321 2375

STOCK EXCHANGE / MEDIA RELEASE

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AUSTRALIAN CONTACTS:
Peter Thomas
Hardman Resources Ltd
+61 8 9261 7600

Jim Kelly
Third Person Communications
+61 2 8298 6100

LONDON CONTACT:
Patrick Handley
Brunswick Group
+44 207 404 5959

RE: SIGNING OF REVISED MAURITANIAN PSC

Hardman Resources Limited ("Hardman") and its co-venturers have signed revised production sharing contracts (PSCs) for Areas A, B, C Block 2 and C Block 6 offshore Mauritania, operated by a subsidiary of Woodside Petroleum Ltd ("Woodside"), bringing to a close the dispute earlier this year over amendments to the original PSCs.

In a signing ceremony in Nouakchott overnight, representatives of the Islamic Republic of Mauritania, Hardman group companies and co-venturers formally agreed to new contracts for the four offshore blocks.

The revised PSCs reflect the terms of an agreement signed by Woodside and the Mauritanian Government in March this year which resolved a dispute between the parties over previous amendments to the original PSCs.

The major elements of the resolution, reflected in the revised PSCs, are:

- exploration periods are secured in line with previous arrangements;
- a Chinguetti Project bonus of US$100 million (Hardman share 21.6%) shall be paid by the Area B joint venture to the Mauritanian Government following the approval of the revised Area B PSC and subsequent to the gazettal of the revised contract;
- fiscal incentives which will provide a modest increase in the share of revenue from the Chinguetti project to the Mauritanian Government during periods when realised oil prices exceed US$55 per barrel; and
- establishment of an Environmental Commission, funded through a total annual payment of US$1 million by the joint venturers during the life of production from the revised PSCs.

The revised PSCs come into effect after their formal gazettal in the Official Journal in the Islamic Republic of Mauritania.

PETER THOMAS
Chief Financial Officer