For Immediate Release 21 December 2010

Indus Gas Limited
("Indus" or "the Company")

Interim Results

Indus Gas Limited (AIM:INDI.L), an oil & gas exploration and development company with assets in India, is pleased to announce its unaudited interim results for the six month period ending 30 September 2010.

Highlights:

- Updated CPR announced on 3 December 2010
  - Gross "Proven plus Probable" reserves increase to 307 Bcf (up 91% from 2008 CPR)
  - Significant growth in 2C gross contingent resources – increase 490% from 369 Bcf to 1,808 Bcf
  - Gross contingent resources (Best Estimate) increased 340% from 634 Bcf to 2,158 Bcf
- SGL First Production
  - First gas sales to GAIL and shipped to Ramgarth Power Plant
- SGL Expansion
  - Drilling of additional SGL production wells has begun
  - Activities for Phase II expansion on track for start up next year
- Frac Plans
  - Preparation for fraccing campaign in Q1 2011 continues
- The Company continues to use existing bank facilities to fund the SGL expansion expenditure

Operations Update:

<u>Production – SGL Field:</u>

Supply of gas from the SGL-1 well continues to GAIL and onwards by pipeline to Ramgarth Power Plant. Current plans are to put the SGL-2 well into production by the 2nd week of January 2011 to undertake further production testing.

The upgrade of the gas processing facilities needed to increase production from the current 7MMCF/d to 33.5 MMCF/d remains on track. The initial planning phase is well advanced and the main and critical equipment needed has been ordered. The drilling of the additional production wells required to reach the increased production rate has begun with the SGL-P3 well which had reached a depth of 1,678m as of the 30 November 2010. It is currently estimated that up to 4 additional wells will be needed to increase production with further wells drilled over the field life as agreed in the development plan.

Drilling, Seismic and Completion Operations:

From April 2010 to now, the Company has undertaken the following work:

- 3D Seismic – 262.51 km2 acquired, 317.42 km2 processed and interpreted;

- Drilling – 5 exploration/appraisal wells and ongoing drilling of additional production well
  - Tirath-1 – 328.66m drilled in the period bringing total drilled depth to 3,867m
  - Sandwich-1 – 1,146.56m drilled in the period bringing total drilled depth to 3,911.56m
  - Sanu-1 – 3,516m drilled and well completed
  - Southern Comfort-1 – ongoing drilling, currently at 4,478m
  - SSG-2 – ongoing drilling, currently at 4,430m
  - SGL-P3 – ongoing drilling of new production well, currently at 2,260m

- Production – completion of first production well and associated Phase I production facilities

Current Drilling

Southern Comfort-1 well is located in the extreme south-western part of the RJ-ON/6 Block. The primary aim of this well is to assess the distribution of the Lower B&B Formation overpressured tight gas/BCGA system in this part of the block, which was successfully encountered in the Indian Shingli well which is located 12.5km to the northeast of Southern Comfort-1. Ongoing drilling continues having reached a depth of 4,478m within the upper parts of the Middle Jurassic (Callovian) Jaisalmer Formation. Significant gas shows have been seen in the Pariwar reservoir target sands and throughout the B&B Formation target intervals. A number of cores have been successfully recovered from this well for further detailed analysis and wireline logging operations are currently underway, with the aim of using the petrophysical analysis of the wireline data to conduct further near term well testing.

SSG-2 well is located 1.7km to the south-southwest of the older SSG-1 well, which encountered gas within the upper Pariwar reservoir sands but failed to penetrate and test the key lower Pariwar reservoir zone. The purpose of SSG-2 is therefore to target both of the Pariwar reservoir zones for further testing on the same structural closure target as the SSG-1 well, with a key secondary objective of testing the deeper B&B Formation at this location. Drilling of the well is ongoing having reached 4,430m within the lower parts of the B&B Formation. Gas shows have been encountered in the Pariwar reservoir sands and within the B&B Formation in this well and wireline logging operations are currently ongoing. Further testing will be planned in due course subject to the results of petrophysical analysis of the wireline data.

SGL-P3 well was spudded in early November 2010 and is located in a crestal part of the SGL field structure. This well has been selected as the first location for an ongoing programme of development and production wells through the life of the SGL Field. The well has reached a total depth of 2,260m and is currently drilling on within the Upper Cretaceous Limestone of the Parh Formation

Financials:

The Company remains confident of its financial position and continues to run down cash and draw additional debt for SGL expansion capex ahead of reporting additional gas sales revenue in the second half of the year. Expenditure on the expansion of the SGL facilities to increase production to 33.5 MMCF/d will continue to be made from additional drawing on the US$110m facility.

Outlook:

As mentioned in the full year results in September, the Company now has data from a number of wells that provide evidence of there being a large tight gas play in the western part of the block, within the Lower B&B Formation.

This Formation will require hydro-fracturing and the Company undertook a pilot test earlier in the year. The test highlighted the need for additional equipment, which at that time was not available to Indus. Almost all of this equipment has now been acquired, with the outstanding items expected to be on site early in 2011. The upgraded equipment will have significantly improved pressure and pumping rates. A further fracturing programme is expected to commence in Q1 2011. The programme will involve multiple zones in a number of wells.

As outlined in previous announcements, the Company's strategy has been to drill step out wells in order to prove up and secure certain areas of the block ahead of the current exploration period coming to an end in mid 2013. As a result, a number of wells have been drilled in the Pariwar Formation, which require additional testing, which the Company intends to undertake over the course of the next year.

Commenting, Marc Holtzman, Chairman of Indus, said:

"The Company has achieved a significant milestone with first gas production from SGL. We are on course to increase the production levels in 2011, with the expansion of the SGL facilities, which will give us credible cash flows. Ongoing drilling also continues to show the increasing potential of the Block which has been supported by the recent CPR validating much of our work since IPO. Activity levels will remain high in 2011 as we conduct a significant frac campaign and complete multiple well tests."

In accordance with AIM rules, Paul Fink, Technical Consultant, a Geophysicist who holds an engineering degree from the Mining University of Leoben, Austria and has 20 years of industry experience is the qualified person that has reviewed the technical information contained in this release.

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An extract of the interim accounts for the six months ended 30 September 2010 is shown below. A full set of the accounts are available from the company website at: www.indusgas.com

Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with IFRS

Indus Gas Limited and its subsidiaries

Six months ended 30 September 2010

Unaudited Condensed Consolidated Statement of Financial Position

(All amounts in United States Dollars, unless otherwise stated)

	Notes	As at 30 September 2010 US$ Unaudited	As at 30 September 2009 US$ Unaudited	As at 31 March 2010 US$ Audited
ASSETS				
Non-current				
Intangible assets - Exploration and Evaluation assets	**7**	89,701,530	49,113,833	68,534,029
Property, plant and equipment	**8**	60,257,588	50,666,728	57,202,020
Other assets		10,109	10,188	9,643
Total non-current assets		**149,969,227**	**99,790,749**	**125,745,692**
Current assets				
Inventories		4,934,959	4,021,853	5,337,532
Recoverable from related party		-	59,393	56,543
Other current assets		1,063,756	244,379	1,216,007
Short term investments		-	-	8,538,802
Trade receivables		1,083,871	-	-
Cash and cash equivalents		2,719,571	22,351,493	220,724
Total current assets		**9,802,157**	**26,677,118**	**15,369,608**
Total assets		**159,771,384**	**126,467,867**	**141,115,300**
EQUITY AND LIABILITIES				
STOCKHOLDERS' EQUITY				
Share capital		3,618,472	3,618,472	3,618,472
Additional paid-in capital		46,501,666	46,501,666	46,501,666
Currency translation reserve		(8,859,352)	(8,490,923)	(10,554,972)
Merger reserve		19,570,288	19,570,288	19,570,288
Share Option reserve		366,229	-	341,303
Accumulated losses		(4,078,542)	(1,683,453)	(1,124,725)
Total Equity		**57,118,761**	**59,516,051**	**58,352,032**

Unaudited Condensed Consolidated Statement of Financial Position (Contd.)

	Notes	As at 30 September 2010 US$ Unaudited	As at 30 September 2009 US$ Unaudited	As at 31 March 2010 US$ Audited
LIABILITIES				
Non-current liabilities				
Provisions for decommissioning		435,961	305,745	369,809
Long term debt from banks, excluding current portion	**9**	31,867,938	-	14,815,524
Finance lease obligations, excluding current portion		62,680	127,624	99,289
Payable to related parties, other than current	**10**	43,984,500	49,855,568	42,600,000
Total non-current liabilities		**76,351,079**	**50,288,937**	**57,884,622**
Current liabilities				
Payable to related parties	**10**	24,029,058	16,528,419	24,753,666
Long term debt from banks, current portion	**9**	1,196,429	-	-
Finance lease obligations, current portion		73,765	76,028	75,270
Accrued expenses and other liability		144,598	58,432	49,710
Deferred Revenue		857,694	-	-
Total current liabilities		**26,301,544**	**16,662,879**	**24,878,646**
Total liabilities		**102,652,623**	**66,951,816**	**82,763,268**
Total equity and liabilities		**159,771,384**	**126,467,867**	**141,115,300**

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Comprehensive Income

		Six months ended 30 September 2010 US$ Unaudited	Six months ended 30 September 2009 US$ Unaudited	Year ended 31 March 2010 US$ Audited
Revenue		215,407	-	-
Cost of sales		(117,202)	-	-
Gross Profit		98,205	-	
Cost and expenses				
Administrative expenses		(782,472)	(627,329)	(1,754,580)
Loss from operations		**(684,267)**	**(627,329)**	**(1,754,580)**
Foreign exchange loss, net		(1,739,839)	(1,864,165)	(353,424)
Interest expense		(550,862)	-	-
Interest income		21,151	206,239	381,476
Loss before tax		**(2,953,817)**	**(2,285,255)**	**(1,726,528)**
Income tax expense			-	
Loss after tax		**(2,953,817)**	**(2,285,255)**	**(1,726,528)**
Other comprehensive income		-	-	-
Currency translation adjustment		1,695,620	4,235,414	2,171,365
Total comprehensive income/ (loss) for the period		**(1,258,197)**	**1,950,159**	**444,837**
Loss per share				
Basic	11	*(0.02)*	*(0.01)*	*(0.01)*
Diluted		*(0.02)*	*(0.01)*	*(0.01)*
Par value of each share	GBP	*0.01*	*0.01*	*0.01*

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statements of changes in Equity

	Share capital		Additional paid in capital	Currency translation adjustment	Merger reserve	Share based payments reserve	Accumulated losses	Total stockholders' equity
	Number	Amount US$	US$	US$	US$	US$	US$	US$
Balance as at 1 April 2010 *(After incorporating merger adjustment)*	**182,913,924**	**3,618,472**	**46,501,666**	**(10,554,972)**	**19,570,288**	**341,303**	**(1,124,725)**	**58,352,032**
Loss for the period	-	-	-	-	-	-	(2,953,817)	(2,953,817)
Currency Translation Adjustment	-	-	-	1,695,620	-	-		1,695,620
Total recognised income and expense for the period	-	-	-	**1,695,620**	-	-	(2,953,817)	**(1,258,197)**
Share based payment transactions	-	-	-	-	-	24,926	-	24,926
Balance as at 30 September 2010	**182,913,924**	**3,618,472**	**46,501,666**	**(8,859,352)**	**19,570,288**	**366,229**	**(4,078,542)**	**57,118,761**
Balance as at 1 April 2009 *(After incorporating merger adjustment)*	**182,913,924**	**3,618,472**	**46,501,666**	**(12,726,337)**	**19,570,288**	-	**601,802**	**57,565,892**
Loss for the period	-	-	-	-	-	-	(2,285,255)	(2,285,255)
Currency Translation Adjustment	-	-	-	4,235,414	-	-	-	4,235,414
Total recognised income and expense for the period	-	-	-	**4,235,414**	-	-	**(2,285,255)**	**1,950,159**
Balance as at 30 September 2009	**182,913,924**	**3,618,472**	**46,501,666**	**(8,490,923)**	**19,570,288**	-	**(1,683,453)**	**59,516,051**
Balance as at 1 April 2009 *(After incorporating merger adjustment)*	**182,913,924**	**3,618,472**	**46,501,666**	**(12,726,337)**	**19,570,288**	-	**601,802**	**57,565,892**
Loss for the period	-	-	-	-	-	-	(1,726,528)	**(1,726,528)**
Currency Translation Adjustment	-	-	-	2,171,365	-	-	-	**2,171,365**
Total recognised income and expense for the period	-	-	-	**2,171,365**	-	-	**(1,726,528)**	**444,837**
Share based payment transactions	-	-	-	-	-	341,303	-	**341,303**
Balance as at 31 March 2010	**182,913,924**	**3,618,472**	**46,501,666**	**(10,554,972)**	**19,570,288**	**341,303**	**(1,124,725)**	**58,352,032**

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statements of Cash Flows

	Six months ended 30 September 2010 Unaudited	Six months ended 30 September 2009 Unaudited	Year ended 31 March 2010 Audited
	US$	US$	US$
(A) Cash flow from operating activities			
Loss before tax	**(2,953,817)**	**(2,285,255)**	**(1,726,528)**
Adjustments			
Unrealized exchange loss	(1,657,637)	1,748,543	(1,996,001)
Interest earned	(21,125)	(206,239)	(381,476)
Share based payments	24,926	-	341,303
Changes in operating assets and liabilities			
Inventories	402,570	(930,954)	(2,246,633)
Trade receivables	(1,083,872)	-	-
Trade and other payables	(120,384)	142,328	2,948,901
Other current and non current assets	258,342	52,219	(1,312,674)
Deferred revenue	857,693	-	-
Accrued expenses and other liabilities	271,204	36,540	1,058
Cash used in operations	**(4,022,100)**	**(1,442,818)**	**(4,372,050)**
Income taxes paid	-	-	-
Net cash used in operating activities	**(4,022,100)**	**(1,442,818)**	**(4,372,050)**
(B) Cash flow for investing activities			
Investments in Exploration and Evaluation assets	(20,528,462)	-	(18,105,302)
Purchase of property, plant and equipment	(3,093,682)	22,725	(8,332,214)
Movement in short term investments	8,610,023	-	(8,906,497)
Interest received	21,125	2,620	258,445
Other current assets	-	(58,077)	-
Net cash (used) in investing activities	**(14,990,996)**	**(32,732)**	**(35,085,568)**
(C) Cash flow from financing activities			
Proceeds from borrowings	18,502,235	-	17,662,975
Loans - related parties	(3,330,877)	1,073,763	(170,000)
Net cash provided by financing activities	**15,171,358**	**1,073,763**	**17,492,975**
Net (decrease) in cash and cash equivalents	**(3,841,738)**	**(401,787)**	**(21,964,643)**
Cash and cash equivalents at the beginning of the period	220,724	20,308,583	20,308,583
Effect of exchange rate change on cash and cash equivalents	6,340,585	2,444,697	1,876,784
Cash and cash equivalents at the end of the period	**2,719,571**	**22,351,493**	**220,724**
Cash and cash equivalents comprise			
Balances with banks	2,719,571	22,351,493	220,724

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. INTRODUCTION

Indus Gas Limited ("Indus Gas" or "the Company") was incorporated in the Island of Guernsey on 4 March 2008 pursuant to an Act of Royal Court of the Island of Guernsey. The Company was set up to act as the holding company of iServices Investments Limited ("iServices") and Newbury Oil Company Limited ("Newbury"). iServices and Newbury are companies incorporated in Mauritius and Cyprus respectively. iServices was incorporated in the year 2003 and Newbury was incorporated in the year 2005. Subsequently, the Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange on 6 June 2008.

Indus Gas through its subsidiaries iServices and Newbury (hereinafter collectively referred to as "the Group") is engaged in the business of oil and gas exploration, development and production. The Group owned an aggregate of 90 per cent participating interest in a petroleum exploration and development concession in India known as RJ-ON/06 ("the Block"). The balance 10 per cent participating interest was owned by Focus Energy Limited ("Focus"). Focus entered into a Production Sharing Contract ("PSC") with the Government of India ("GOI") and Oil and Natural Gas Corporation Limited ("ONGC") on 30 June 1998 in respect of the Block. The participating interest explained above was subject to any option exercised by ONGC in respect of individual discoveries (already exercised for the SGL Field as further explained in Note 3).

2. GENERAL INFORMATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as developed and published by the International Accounting Standards Board ('IASB'). The condensed consolidated interim financial statements have been prepared on a going concern basis, and are prepared and presented in United States Dollar (US$). Functional currency of Indus Gas is Pound Sterling (GBP).

3. JOINTLY CONTROLLED ASSETS

The Group is jointly engaged in oil and gas exploration, development and production activities along with Focus. This venture is a jointly controlled asset as defined under IAS 31: Interest in Joint Ventures. All rights and obligations in respect of exploration, development and production of oil and gas resources under the Interest sharing agreement were initially shared between Focus, iServices and Newbury in the ratio of 10 per cent, 65 per cent and 25 per cent respectively.

Under the PSC, the GOI, through ONGC had an option to acquire a 30 per cent participating interest in any discovered field, upon such successful discovery of oil or gas reserves, which has been declared as commercially feasible to develop. Irrespective of whether it exercise this 30% option or not, ONGC is liable to pay for 100% of the license fees, applicable royalty and certain taxes with reference to the income from the field payable to the Rajasthan State Government and GOI. At present a royalty of 10% of the gas sales is applicable on the production.

Subsequent to the declaration of commercial discovery in SGL Field on 21 January 2008, ONGC on 6 June 2008 had exercised the option to acquire a 30 per cent participating interest in the discovered fields.

On exercise of this option, ONGC is liable to pay its share of 30% of the SGL Field development costs incurred after 21 January 2008 and is entitled to a 30 per cent share in the revenues (however only after development costs prior to 21 January 2008 and ongoing exploration and evaluation costs of Focus, iServices and Newbury are recovered in full – refer immediately succeeding paragraph). Focus, iServices and Newbury continue to share revenues, production costs, exploration and evaluation costs in the existing ratio of 10 per cent, 65 per cent and 25 per cent respectively till past unrecovered costs are recovered in full. Following the exercise of this option, Indus' participating interest in the SGL Field is reduced to 63 per cent (though as discussed above ONGC's participation in revenues only commences once development costs prior to 21 January 2008 and ongoing exploration and evaluation costs of Focus, iServices and Newbury are recovered in full).

As per PSC each participant is entitled to recover its share of contract cost (costs incurred towards exploration and evaluation assets, development assets and cost for producing gas) in the order of production cost, exploration and evaluation cost, and development costs. The percentage of the total revenue from the field that is available to each such participant in any year for recovery of its share of Contract Costs is determined on the basis of the respective proportion of each such participant's cumulative unrecovered Contract Cost as at the end of the previous year or where there are no unrecovered contract cost at the end of previous year on the basis of participating interest of each such participant in the Field.

The aggregate amounts relating to jointly controlled assets, liabilities and expenses related thereto that have been included in the condensed consolidated interim financial statements are as follows:

	Period ended 30 September 2010	**Period ended 30 September 2009**	**Year ended 31 March 2010**
Non current assets	149,959,120	99,780,562	125,720,640
Current assets	4,934,959	4,021,853	5,337,532
Non current liabilities	44,483,141	50,288,937	43,069,098
Current liabilities	23,507,871	16,076,028	24,375,352
Expenses (net of finance income)	282,188	198,016	442,965
Commitments	425,683	129,819	377,778

The GOI, through ONGC, has option to acquire similar participating interest in any such future successful discovery of oil or gas reserves in the Block that has been declared as commercially feasible to develop.

4. BASIS OF PREPARATION

This condensed consolidated interim financial statements for the six months ended 30 September 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which have been prepared in accordance with IFRSs.

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, and are prepared and presented in United States Dollar (US$).

5. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2010.

Introduction of new transactions

Revenue recognition

Revenue from sale of natural gas is recognised when the significant risks and rewards of ownership have been transferred, which is when title passes to the customer. This generally occurs when product is physically transferred into a vessel, pipe or other delivery mechanism. Revenues associated with the sale of natural gas are recognized when the title passes to the customer.

Revenue from the production of natural gas in which the Group has an interest with other producers is recognized based on the Group's working interest and the terms of the relevant production sharing contracts.

Revenue is stated after deducting sales taxes, excise duties and similar levies.

Per the 'Take-or-Pay' agreement, GAIL is committed towards taking a certain minimum quantity of gas and paying for any related shortfall. The Group's entitlement to receive revenue for any shortfall is recorded as trade receivables with a corresponding credit to deferred revenue. Till the expiry of the contracted period, the Group continues to have an obligation to deliver the deficit to GAIL. Revenue for the deficit quantity would be recognised at the earlier of delivery of physical quantity towards the deficit to GAIL or at the expiry of the contract period.

Depreciation

In the current period the Group started commercial production of gas and also started to accrue depreciation charge on the production assets.

Development cost incurred and capitalised under 'Oil and Gas Properties' are depreciated, from the date of commencement of production, on a field by field basis with reference to the unit of production method for the commercially probable and proven reserves in the particular field. Gas gathering station and pipelines are depreciated over their useful life of twenty years.

6. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2010.

7. INTANGIBLE ASSETS – EXPLORATION AND EVALUATION ASSETS

Intangible assets comprise of Exploration and Evaluation assets. Movement in Intangible assets was as under:

	Intangible assets – Exploration and Evaluation assets US$
Balance at 1 April 2009	**32,464,788**
Additions	36,069,241
Balance as at 31 March 2010	**68,534,029**
Additions	21,167,501
Balance as at 30 September 2010	**89,701,530**
Balance at 1 April 2009	**32,464,788**
Additions	16,649,045
Balance as at 30 September 2009	**49,113,833**

In accordance with the Group's accounting policy, no amortisation has been charged on the Exploration and Evaluation assets as the exploration, evaluation and evaluation activities in the Block have not concluded during the reported period.

As further elaborated in Note 8 below, subsequent to commercial discovery of gas in well SGL #1 and SGL #2 on 21 January 2008, amounts accumulated in Exploration and Evaluation assets up to such date have been transferred to development assets, in consistency with the full cost accounting method that the Group follows for such assets.

The above also includes borrowing costs capitalised of US$ 1,572,921 (30 September 2009: US$ 1,946,414 and 31 March 2010: US$ 2,533,141). Cost incurred on exploration and evaluation activities subsequent to 21 January 2008 are classified under Exploration and Evaluation assets.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Cost	Land	Extended well test equipment	Oil and Gas properties	Bunk Houses	Vehicles*	Other assets	Capital work-in-progress	Total
<u>**Gross Block**</u>								
Balance as at 1 April 2010	**34,204**	**1,426,788**	**51,326,085**	**3,074,036**	**1,060,501**	**800,564**	**1,332,454**	**59,054,632**
Additions	-	513,520	2,323,953	283,726	235,743	91,900	974,794	4,423,636
Disposals/Transfers	-	-	-	-	-	-	802,555	**802,555**
Balance as at 30 September 2010	**34,204**	**1,940,308**	**53,650,038**	**3,357,762**	**1,296,244**	**892,464**	**1,504,693**	**62,675,713**

Cost	Land	Extended well test equipment	Oil and Gas properties	Bunk Houses	Vehicles*	Other assets	Capital work-in-progress	Total
Accumulated Depreciation								
Balance as at 1 April 2010	**-**	**131,023**	**-**	**981,584**	**340,582**	**399,423**	**-**	**1,852,612**
Depreciation for the period	-	67,323	45,978	259,658	116,230	76,325	-	565,514
Balance as at 30 September 2010	**-**	**198,346**	**45,978**	**1,241,242**	**456,812**	**475,748**	**-**	**2,418,126**
Carrying value								
At 30 September 2010	34,204	1,741,962	53,604,060	2,116,520	839,432	416,716	1,504,693	**60,257,587**
Gross Block								
Balance as at 1 April 2009	**34,204**	**373,244**	**46,221,326**	**1,282,337**	**534,460**	**461,990**	**1,222,420**	**50,129,981**
Additions	-	632,045	85,155	52,673	428,261	48,014	1,287,819	2,533,967
Disposals/Transfers	-	-	-	-	-	-	547,276	547,276
Balance as at 30 September 2009	**34,204**	**1,005,289**	**46,306,481**	**1,335,010**	**962,721**	**510,004**	**1,962,963**	**52,116,672**
Accumulated depreciation								
Balance as at 1 April 2009	**-**	**63,794**	**-**	**690,026**	**141,804**	**292,014**	**-**	**1,187,638**
Depreciation for the period	-	20,724	**-**	110,877	92,663	38,042	-	262,306
Balance as at 30 September 2009	**-**	**84,518**	**-**	**800,903**	**234,467**	**330,056**	**-**	**1,449,944**
Carrying value								
At 30 September 2009	34,204	920,771	46,306,481	534,107	728,254	179,948	1,962,963	**50,666,728**
Gross Block								
Balance as at 1 April 2009	**34,204**	**373,244**	**46,221,326**	**1,282,337**	**534,460**	**461,990**	**1,222,420**	**50,129,981**
Additions	-	1,053,544	5,104,759	1,793,024	526,041	338,574	3,268,625	12,084,567
Disposals/Transfers	-	-	-	1,325	-	-	3,158,591	3,159,916
Balance as at 31 March 2010	**34,204**	**1,426,788**	**51,326,085**	**3,074,036**	**1,060,501**	**800,564**	**1,332,454**	**59,054,632**
Accumulated depreciation								
Balance at 1 April 2009	**-**	**63,794**	**-**	**690,026**	**141,804**	**292,014**	**-**	**1,187,638**
Depreciation for the year	-	67,229	-	291,558	198,778	107,409	-	664,974

Cost	Land	Extended well test equipment	Oil and Gas properties	Bunk Houses	Vehicles*	Other assets	Capital work-in-progress	Total
Balance as at 31 March 2010	**-**	**131,023**	**-**	**981,584**	**340,582**	**399,423**	**-**	**1,852,612**
Carrying value								
At 31 March 2010	34,204	1,295,765	51,326,085	2,092,452	719,919	401,141	1,332,454	**57,202,020**

*These vehicles have been secured against the finance leases as disclosed on the statements of financial position.

The above also includes borrowing costs capitalised of US$ 523,375 (30 September 2009:Nil and 31 March 2010: US$ 2,387,717).

The depreciation in all reported periods has been included in the cost of Intangible assets – Exploration and Evaluation assets.

Depreciation has been charged on the Oil and Gas properties in accordance with the Group's accounting policy upon commencement of production.

9. LONG TERM DEBT FROM BANKS

	Maturity	30 September 2010	30 September 2009	31 March 2010
Non-current				
US$ 32,303,571 bank loan (previous year US $15,000,000), secured	2018	31,867,938	-	14,815,524
Current				
US$ 1,196,429 bank loan (previous year US $15,000,000), secured		1,196,429	-	-
Total		**33,064,367**	**-**	**14,815,524**

In March 2010, Indus signed an agreement with a consortium of banks for a term loan of US$ 110,000,000 repayable in quarterly instalments commencing on 31 August 2011. It bears interest of LIBOR plus 500 basis points. Indus Gas has further drawn US$ 18,500,000 against this loan during the six months period ended 30 September 2010 (31 March 2010: US$ 15,000,000) aggregating to US$ 33,500,000 as at 30 September 2010.

The bank loan is secured over all the assets of subsidiaries of Indus i.e. iServices and Newbury in addition to the Group's participating interest in the Block RJ-ON/6 to the extent of SGL Field and certain future receivables from gas sales.

Interest capitalised on this loan under Exploration and Evaluation assets and developments asset is US$ 491,595 (30 September 2009: Nil and 31 March 2010: US$ 15,409).

PAYABLE TO RELATED PARTIES

Related parties payable comprise of the following:

	30 September 2010	30 September 2009	31 March 2010
Liability payable to Focus			
- *Current*	23,462,702	16,033,541	24,753,666
- *Other than Current*	43,984,500	49,855,568	42,600,000
Other payables	566,356	324,878	-
Short term borrowings from iEnergiser Holding Limited	-	170,000	-
	68,013,558	**66,383,987**	**67,353,666**

Liability payable to Focus

Liability payable to Focus represents unpaid amount of the cost share of the Group in respect of its participating interest in Block RJ-ON/6 pursuant to the terms of Agreement for Assignment dated 13 January 2006 and its subsequent amendments from time to time.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profits attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Calculation of basic and diluted loss per share for period ending 30 September 2010, 30 September 2009 and 31 March 2010 are as follows:

	30 September 2010	30 September 2009	31 March 2010
Loss attributable to shareholders of Indus Gas Limited, for basic and dilutive	2,953,817	2,285,255	1,726,528
Weighted average number of shares (used for basic (loss)/ earnings per share)	182,913,924	182,913,924	182,913,924
Diluted weighted average number of shares (used for diluted (loss)/ earnings per share)	182,913,924	182,913,924	182,913,924
Basic loss per share (US$)	**(0.02)**	**(0.01)**	**(0.01)**
Diluted loss per share (US$)	**(0.02)**	**(0.01)**	**(0.01)**

The Group has outstanding share options, however, those are considered anti-dilutive as the Group has incurred loss during the period.

11. RELATED PARTY TRANSACTIONS

Disclosure of transactions between the Group and related parties and the outstanding balances is as under:

Transactions with parent and subsidiary companies

Particulars	30 September 2010	30 September 2009	31 March 2010
Transactions during the period with the holding company			
Loan taken	50,000	-	-
Loan given	-	59,393	56,543
Balances at the end of the period			
Total receivables	**-**	**59,393**	**56,543**
Total payables	**50,000**	**580**	**-**

Transactions with KMP and entities over which KMP exercise control

Particulars	30 September 2010	30 September 2009	31 March 2010
KMP related			
Transactions during the period			
Remuneration to KMP			
• *Remuneration*	189,909	108,500	376,676
• *Share based payments*	10,386	-	104,809
Entities over which KMP exercise control			
Remittances	23,556,000	-	26,421,188
Net assets transferred during the year	23,946,578	19,513,362	46,979,096
Loans given	-	170,000	-
Expenses reimbursed	32,526	33,542	26,685
Balances payable at the end of the period/ year	**68,013,558**	**66,383,407**	**67,353,666**

12. COMMITMENTS AND CONTINGENCIES

At 30 September 2010, the Group had capital commitments of US$ 425,683 (30 September 2009: US$ 145,442 and 31 March 2010: US$ 377,778) in relation property, plant & equipment – development/producing assets, in the RJ/ON 6 Block.

The Group has not accrued a provision for the contingencies.

13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2010.