

ASX Announcement – August 13th 2014**Ukraine Emergency Legislation****Production taxes**

Hawkley Oil and Gas Ltd announces that the Ukrainian Government has passed emergency budget legislation to significantly increase production taxes for independent oil and gas companies from August 1st to December 31st 2014. The royalty rates for gas will approximately double to 55%. It is currently anticipated that the taxes will revert to current levels at the end of this period.

In light of this (albeit temporary) development to the fiscal regime the company is undertaking further cost cutting measures with board directors fees and management salaries frozen.

The company is currently considering two specific corporate transactions with the aim of providing diversification and a new direction for the company.

Further announcements will be made in due course.

For more information, please contact:

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Directors

Glenn Featherby
Executive Chairman

Richard Reavley
Chief Executive Officer

Lord Risby
Non-Executive Director

Graham Lyon
Non-Executive Director

Bill Foster
Non-Executive Director

Share Information

ASX Code:	HOG
Shares on Issue:	287.2M
Options on Issue:	17.0M
Share Price*:	1.9¢
Market Cap*:	\$5.46M

*As at 13th August, 2014

About Hawkley Oil & Gas Ltd

Hawkley Oil & Gas Ltd (ASX: HOG) is an exploration, development and production company with 100 per cent owned assets in Ukraine, a country with huge untapped gas potential. With a focus on emerging markets, its vision is to create a world-class independent oil and gas company with a portfolio of quality assets in some of the most prolific hydrocarbon basins in the world.

The company's current assets include:

Sorochynska (100% HOG): Approximately 320km east of Kiev in the Poltava region of Ukraine, 3km to the west of Velyki Sorochynska village. Includes a gas plant owned and operated by Hawkley and a pipeline connected to well 201.

Stoliarovska (100% HOG): Located 25km east-southeast of Romny in the Sum'ska Oblast, 225km to the east of Kiev. Situated 40km east-southeast and 60km north of Hawkley's Chernetska and Sorochynska licences respectively. In March 2013, Hawkley completed the acquisition of the Stoliarovska Production Licence for a US\$2.6 million.

Chernetska (100% HOG): Approximately 300km north east of Kiev in the Talalayvskiy district of the Chernigiv region of Ukraine, about 2km to the southeast of the village of Chernetska, in the northwestern part of the Dnieper-Donets Basin.

