

**ASX Announcement – 15<sup>th</sup> December 2014****Update on Sorochnyska Well 201**

Hawkley Oil and Gas Limited (“Hawkley” or “the Company”, ASX: HOG) provides the following update concerning the decrease in gas production at Well 201 on the Sorochnyska licence.

As previously reported in ASX release dated 27<sup>th</sup> November 2014, Well 201 experienced an unanticipated material decrease in production of the order of 40%. The company has been investigating the cause of this loss of production and a possible remedy.

The Company can now advise that the initial drop in production rates was due to water influx into Well 201. Currently the Company has not been able to isolate the source of this influx and advises that all production from Well 201 has now ceased as the investigations continue.

Technical evaluations are being made into several remedies that could restore Well 201 back to a viable level of production. In parallel to this, the Company is also appraising the potential to work over and commence economic production from two existing Wells on the Company’s licence.

As these evaluations are still ongoing, the Company will update investors further when new information comes to hand.

**ENDS****For more information, please contact:**

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**Directors**

**Glenn Featherby**  
Executive Chairman

**Bill Foster**  
Non-Executive Director

**Anthony Reilly**  
Non-Executive Director

**Share Information**

ASX Code:	HOG
Shares on Issue:	288.2M
Options on Issue:	13.0M
Share Price*:	0.3¢
Market Cap*:	\$0.86M

\*As at 12 December 2014