

**ASX Announcement – October 31, 2016****Quarterly Activities Report for the Quarter Ended 30 September 2016**

Hawkley Oil & Gas Limited (“Hawkley” or “The Company”) provides the following report on its activities for the quarter ended 30 September 2016.

**Proposed Sale of Ukraine Assets**

On 11 August 2016, the Company announced that the sale of its Ukraine assets to Tomeas Assets Ltd (“Tomeas”), which was approved by shareholders in March 2016, had been terminated because Tomeas had been unable to meet its payment obligations to achieve settlement. Hawkley retained the US\$100,000 initial deposit.

Following termination of the sale agreement, the Company has continued negotiations with Tomeas and entered discussions with other potential buyers, seeking to procure another sale agreement. There have been positive developments with Tomeas and the Company expects to make further announcements in this regard shortly.

**Business Development**

The Directors advise that they have spoken to a number of interested parties in respect to potential opportunities for the Company in oil and gas as well as other sectors. Discussions are progressing with an Australian entity that has expressed interest in providing financial support and pursuing Oil & Gas opportunities in more politically stable countries following completion of the sale of Hawkley’s Ukraine assets.

**Corporate**

The Company currently has three unsecured loans from a party associated with a major shareholder (A\$100,000) and an external party (A\$270,000 and US\$150,000 (approximately A\$200,000)). The loans incur interest of 4.5% per annum calculated daily and applied upon settlement and the lenders have agreed to extend the repayment dates until 31 December 2016 to allow for receipt of expected Ukraine sale proceeds.

The sale of the Company’s Ukraine assets will provide an opportunity to seek a new direction to generate shareholder value.

**Directors**

**Glenn Featherby**  
Executive Chairman

**Bill Foster**  
Non-Executive Director

**Murray Wylie**  
Non-Executive Director

**Piers Lewis**  
Non-Executive Director

**Share Information**

ASX Code:	HOG
Shares on Issue:	331.4M
Options on Issue:	11.0M
Share Price*:	0.4¢
Market Cap*:	\$1.3M

\*As at 28<sup>th</sup> October, 2016

**For more information, please contact:**

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Hawkley Oil & Gas Limited  
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### **Petroleum Tenements**

There have been no acquisitions, disposals or changes in beneficial interests in petroleum tenements during the Quarter.

The Company's current assets, which are in the process of being sold, include:

#### **Sorochynska Production Licence**

**Location:** Onshore Dnieper-Donets Basin, Ukraine  
**Area:** 96.7km<sup>2</sup>  
**Hawkley's Interest:** 100% & Operator

Located 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. In November 2014, the Sorochynska 201 well in Ukraine experienced a sudden significant decrease in production. Investigations identified that the change in performance was due to water influx. Production ceased during December whilst investigations into possible remedies continued. The well is currently closed and efforts to restart production have not been successful.

#### **Stoliarovska Production Licence**

**Location:** Onshore Dnieper-Donets Basin, Ukraine  
**Area:** 47km<sup>2</sup>  
**Hawkley's Interest:** 100% & Operator

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. The licence area is covered by a relatively closed space grid of mixed vintage seismic. In December 2013 Ukrgeofizika provided a report reprocessing and interpreting the 2D seismic data set which has been reviewed by Hawkley.

#### **Chernetska Exploration & Production Licence**

**Location:** Onshore Dnieper-Donets Basin, Ukraine  
**Area:** 51.7km<sup>2</sup>  
**Hawkley's Interest:** 100% & Operator

Located 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.