

**ASX Announcement – April 29, 2016****Quarterly Activities Report for the Quarter Ended 31 March 2016**

Hawkley Oil & Gas Limited (“Hawkley” or “The Company”) provides the following report on activities for the quarter ended 31 March 2016.

**Sale of Ukraine Assets**

On 2 February 2016, the Company announce the sale of its Ukraine assets to Tomeas Assets Ltd for US\$1,000,000. The sale agreement was subsequently approved by shareholders on 16 March 2016. An initial deposit of US\$100,000 was received when the agreement was announced. Hawkley has now provided all information and assistance sought by the buyer and it is anticipated that the transaction will be completed and the remaining balance received early in May 2016.

Completion of the sale will end a long association with Ukraine, since acquiring the Sorychynska and Chernetska licences in 2007 and successfully completing drilling of well 201 on the Sorochnynska licence in 2010. Production from well 201 ceased in December 2014 due to water influx and efforts to restart production were not successful.

**Business Development**

On 14 March 2016, Hawkley announced that it had engaged Merchant Group (“Merchant”) to act as lead manager to seek new opportunities for the Company following the sale of its Ukraine assets.

Merchant Group Pty Ltd is a Western Australian based financial services firm focused on providing a unique model of Stockbroking, Funds Management, Strategic Advice and Corporate Finance Solutions to a select high net worth, wholesale and corporate clientele.

**Placement**

Under the terms of the mandate to Merchant, on 14 March 2016 the Merchant Opportunities Fund provided A\$129,861 for additional working capital via a placement for 43,227,200 fully paid ordinary shares at 0.3 cents per share.

**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*:	0.5¢
Market Cap*:	\$1.7M

\*As at 29<sup>th</sup> April, 2016

## **Corporate**

Anthony Reilly resigned from his position as a Non-Executive Director on 19 February 2016, with Murray Wylie, the Company Secretary, agreeing to join the Board as a Non-Executive Director. On 14 March 2016, Piers Lewis also joined the Board as a Non-Executive Director.

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\$196,000)). 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 May 2016 to allow for receipt of the Ukraine sale proceeds.

The sale of the Company's Ukraine assets will provide an opportunity, with the assistance of Merchant, to seek a new direction to generate shareholder value.

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

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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 interpretating 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.

