

**ASX Announcement – April 20, 2011**

## **Hawkley to raise up to \$18 million to accelerate oil and gas development**

Hawkley Oil and Gas Limited (ASX Code: HOG) is pleased to advise that it has resolved to raise up to \$15,003,500 through a placement of up to 40.55 million shares at an issue price of 37 cents per share to institutional, sophisticated and professional investor clients of Hartleys Limited (“the Placement”). Hartleys Limited is Broker to the Offer.

The funds raised pursuant to the Placement, along with cashflow from operations, will be used to:

- Drill a second development well at Sorochynska;
- Drill appraisal and development Well #1 at Chernetska;
- Build a gas plant to process Sorochynska gas;
- Complete one or more potential acquisitions;
- Drill a third development well at Sorochynska; and
- General working capital requirements.

Commenting on the success of the capital raising, Hawkley CEO Richard Reavley, stated:

“Hawkley is very pleased with the interest received in the Placement and the quality of new shareholders added to our register. Funds raised pursuant to the Placement, along with ongoing cashflow from operations, will allow Hawkley to fast-track the growth of the Company’s assets and its revenue to the benefit of our shareholders.”

The Placement will be completed in two tranches with up to 36.7 million shares being issued in tranche one pursuant to the Company’s 15 per cent capacity under ASX Listing Rule 7.1 and the balance of up to 3.85 million shares being issued in tranche two, subject to shareholder approval at a General Meeting of shareholders currently scheduled for May 27 2011.

In addition to the Placement, Hawkley intends to offer to existing shareholders a priority offer for an amount of up to \$10,000 per shareholder, to raise a maximum of \$3 million at the same price as the Placement (“Priority Offer”). The Priority Offer will be made pursuant to a prospectus and is subject to shareholder approval. Placement shares will not participate in the Priority Offer.

**ENDS**

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