

**ASX Announcement – December 9th, 2011****Hawkley Oil & Gas: Coring Point Reached on Chernetska-1 Well**

Hawkley Oil & Gas is pleased to provide an update on the progress of the Chernetska-1 well in the company's Chernetska Licence in Ukraine.

- Chernetska-1 is an updip appraisal of an undeveloped oil discovery made in the Slobidska-321 well in 1978;
- Hawkley's well has reached a depth of 4,368m, and correlation of the geology with adjacent wells suggests that the current depth in Chernetska-1 is at the top of the B20 reservoir target;
- Operations are underway to pick up the coring tools and run in the hole to cut a 10m core into the B20 sandstone;
- The core should be recovered on Friday 10<sup>th</sup> and dispatched to a laboratory for measurement of porosity and permeability;
- Owing to the high mud-weight and likelihood of light oil, hydrocarbon shows were not expected during drilling.

**Forward Programme**

The current activity on the rig is pulling the drillstring out of the hole in preparation for re-entering with a core barrel. Coring operations are expected to continue on the strength of oil shows and the presence of sandstone at the base of the first core.

Subject to operational and safety considerations, the forward programme comprises the following basic sequence of steps:

- Cut a 10m core through the B20 reservoir
- Conduct an open-hole drill stem test to sample the fluid(s) in the formation and to take pressure measurements
- Drill ahead 80-100m to drill through the B21 reservoir target

**Directors****Paul Morgan**  
Chairman**Michael Earle**  
Chief Executive**David Riekie**  
Non-Executive Director**John Hopkins**  
Non-Executive Director**Share Information**

<b>ASX Code:</b>	<b>HOG</b>
<b>Shares on issue:</b>	<b>285.5 million</b>
<b>Options on issue:</b>	<b>39.8 million</b>
<b>Share Price:</b>	<b>23c</b>
<b>Market Cap:</b>	<b>\$66 million</b>

- Log the open hole, up to the 9 5/8" casing point at 2,200m
- Contingent on the analysis of wireline logs and the drill stem test(s), casing would be run and cemented, then perforated and a commercial test run.

The entire programme is expected to take a month from start of running in the hole with the coring assembly.

### **CEO's Comments**

Chief Executive Dr Michael Earle said "the well has reached a critical stage, a stage that involves several key steps and that is likely to take several weeks to unfold before the outcome is clear. To keep shareholders informed of developments, Hawkley intends to announce an update at each key step in the process."

**ENDS**

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

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### **About Hawkley**

Hawkley is an upstream company focused on the exploitation of undeveloped discoveries made in the Dneiper-Donets Basin in Ukraine. The Company owns 100 per cent of two exploration licences that include the right to pilot production of hydrocarbons.

In 2010, the Company drilled its first well in the Sorochynska licence. Sorochynska-201 was a successful well and was put into production in February 2011. Hawkley intends to build its own gas handling plant in 2012 to enable production to be ramped up for additional production of gas and condensate at its Sorochynska Licence. Incremental production could come from additional development wells on the Sorochynska Field as well as new reserves related to exploration and appraisal drilling. The company is presently engaged in appraising an old oil discovery made in its Chernetksa Licence.