

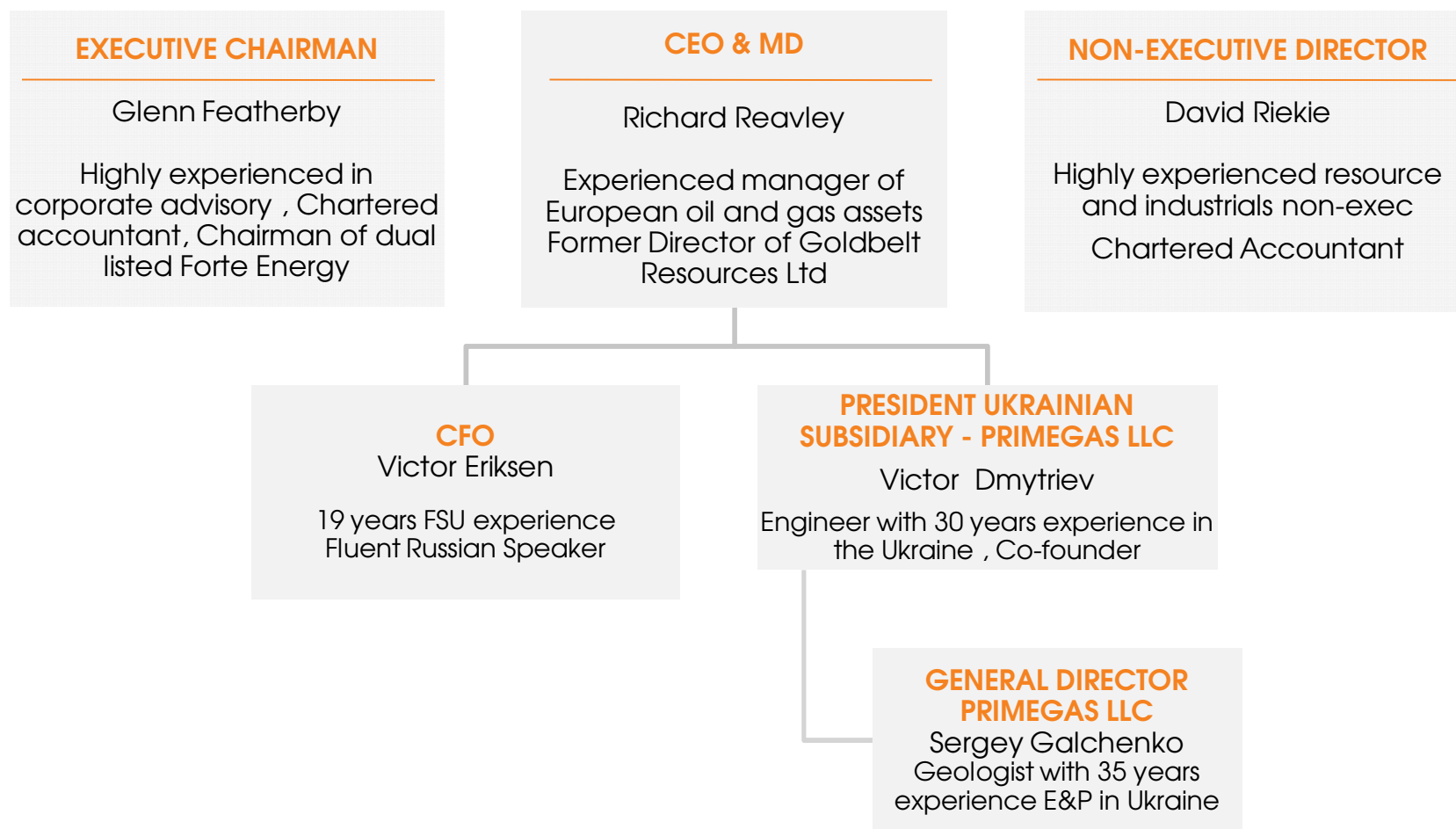
A photograph of an oil rig at sunset. The scene is dominated by dark silhouettes of workers and equipment against a bright, golden-orange sky. In the foreground, a large, dark, curved structure, possibly part of a crane or derrick, frames the view. Several workers are visible in silhouette, some standing and others working. The overall atmosphere is industrial and dramatic.

March 2012

hawkley OIL & GAS
**CORPORATE
PRESENTATION**

MANAGEMENT

- Further additions to the Board and Management Team to be announced in due course



SNAPSHOT

▶ BACKGROUND

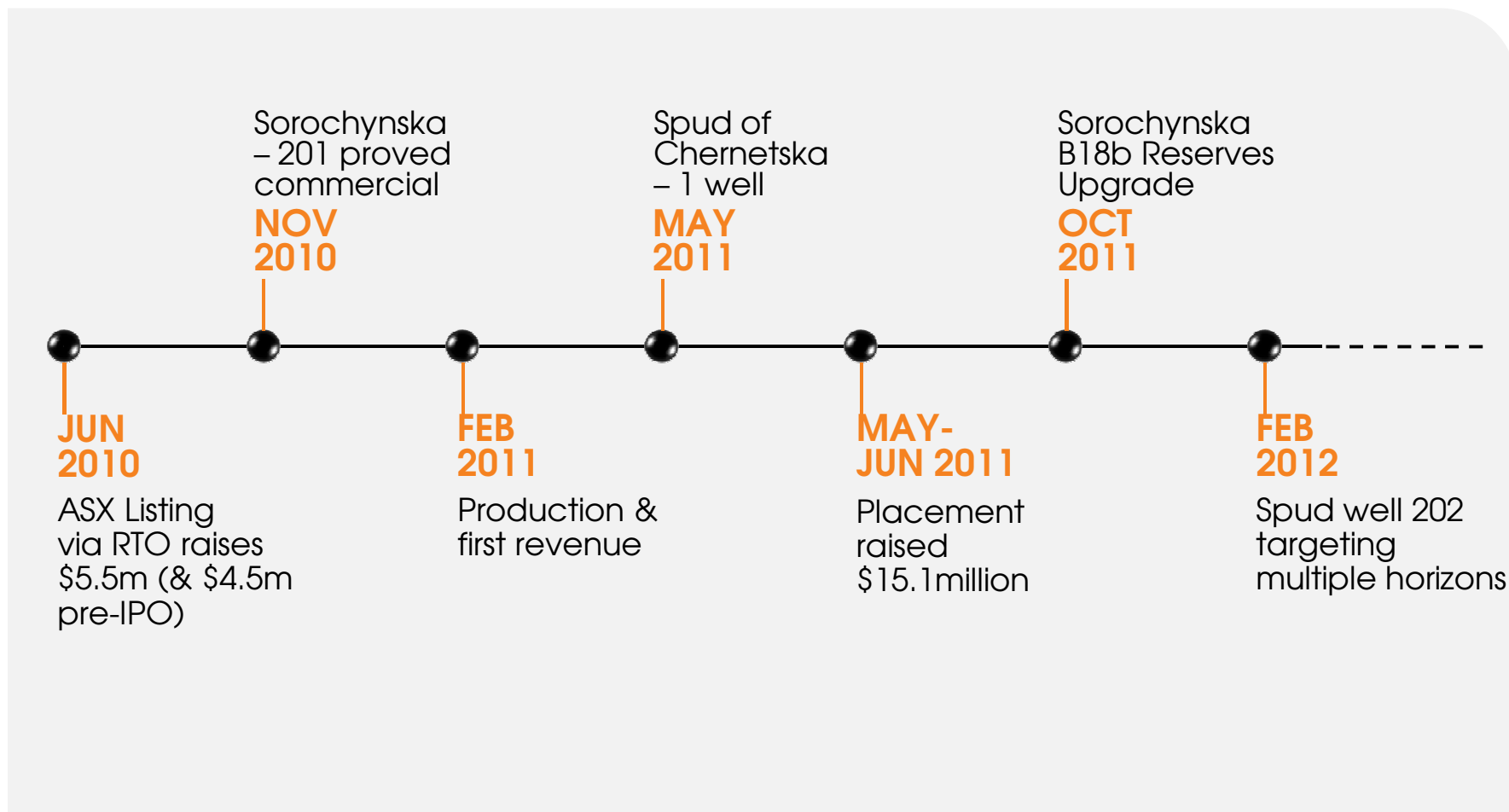
- ▶ A profitable E&P business, focused on the exploitation of underdeveloped discoveries in the prolific Dnieper-Donets basin in Ukraine
- ▶ February 2012 sales AU\$3.5m (before state royalties)
- ▶ AU\$15m cash balance at March
- ▶ Incentivised, focussed, experienced management team

▶ STRATEGY

- ▶ Deliver profitable growth from existing discoveries
- ▶ Fully funded work programme
- ▶ Possible dual listing on the AIM market in London Q3/Q4 2012
- ▶ Considerable acceleration of drilling activity into 2013
- ▶ 2014 revenue target \$100m
- ▶ additional growth through targeted acquisitions and opportunities

PRODUCING 1,350 boe/d - 2P reserves of 7.8mboe

MILESTONES



2012 – A TRANSFORMATIONAL YEAR

► Fully funded Work Programme – US\$15m cash + \$1m FCF / month (pre CAPEX)

Q1	Sorochynska 3D acquisition	\$2m
	Gas plant commissioning	\$5m
	Chernetska Well # 1 test	\$0.2m
Q2	20 year production licence – Sorochynska	\$2m
	Independent report – Sorochynska resources	\$0.1m
	Exploration Licence extension – Chernetska	\$0.5m
Q3	Sorochynska 3D Seismic – processing and interpretation	\$0.5m
	Possible London Listing	\$1m
	Well 202 TD & testing – multiple horizons	\$9m
Q4 (& Q1 2013)	Gas Plant + tie in – Sorochynska	\$.5m
	Total	US\$20.8

UKRAINE

- ▶ **Significant growth potential**
- ▶ Undeveloped discoveries
 - ▶ est. 39Tcf gas & 395mmbbl oil resources*
- ▶ Favourable commercial terms
- ▶ Strong product pricing
 - ▶ \$11.80 gross / mcf (\$9.90net)
- ▶ Local management – proven ability
 - ▶ Focussed
 - ▶ Highly Experienced
 - ▶ Incentivised
- ▶ **Sector Snapshot**
- ▶ dynamics in the European gas market
- ▶ Improving operating environment for foreign companies
- ▶ A real need to increase domestic production
 - ▶ More operational techniques
 - ▶ Equipment importation process simplified



▶ *Source: Edison Investment Research*

ASSET OVERVIEW

- ▶ 2 licenses Company - 100% operated interest

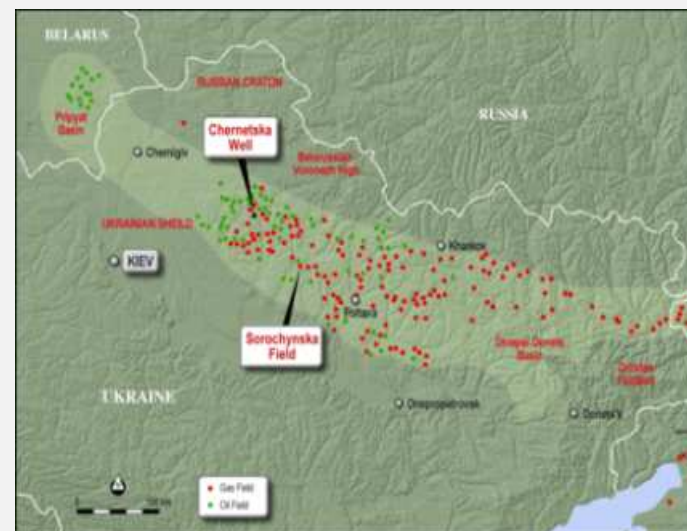
Licences in the prolific Dnieper-Donets Basin

Sorochynska

- ▶ Producing asset – 1,350 boe/d
- ▶ Remaining 2P reserves of 40.5 BCF
- ▶ 3P Upside to 56 BCF (verified by CPR)
- ▶ Independent resource study in progress

Chernetska

- ▶ Significant upside
 - ▶ Moyes: unrisks recoverable P50 - 379bcf



Substantial advanced exploration upside in both licences
 Further Drilling targets identified
 3D seismic programmes will drive definition of full prospect list

SOROCHYNSKA SUCCESS

Soviet era wells # 469 & # 110 produced gas condensate from the B18b reservoir

B18b reserves

Pre-drill 13bcf
 Post -drill (well 201) 43 bcf
 Incremental 30bcf

201

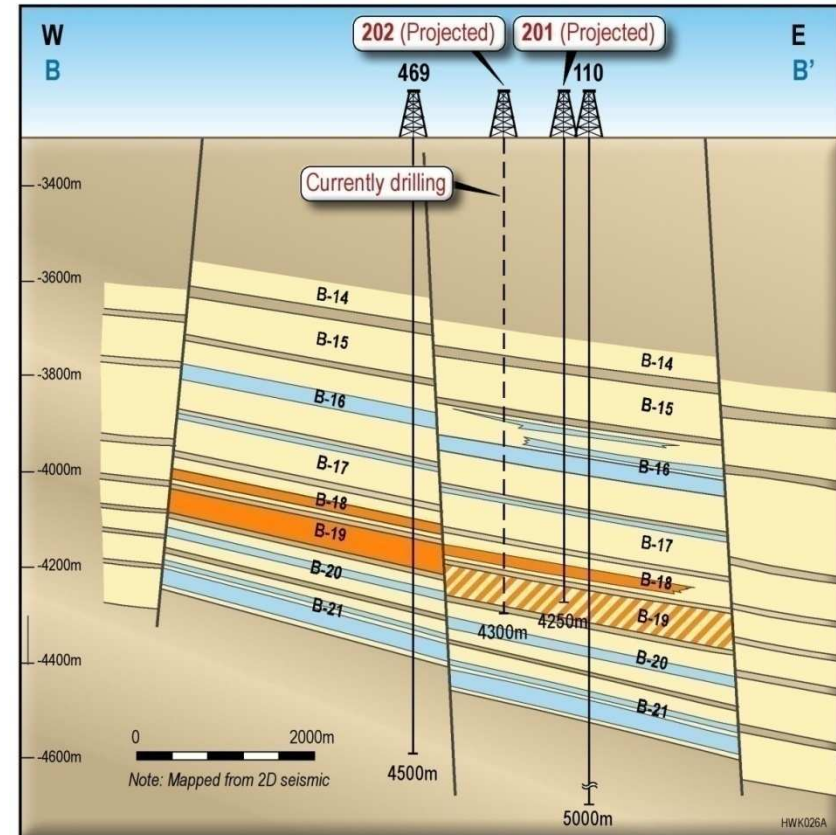
completed in Nov 2010
 In production Feb 2011

202

Targeting B18 and B19 sands

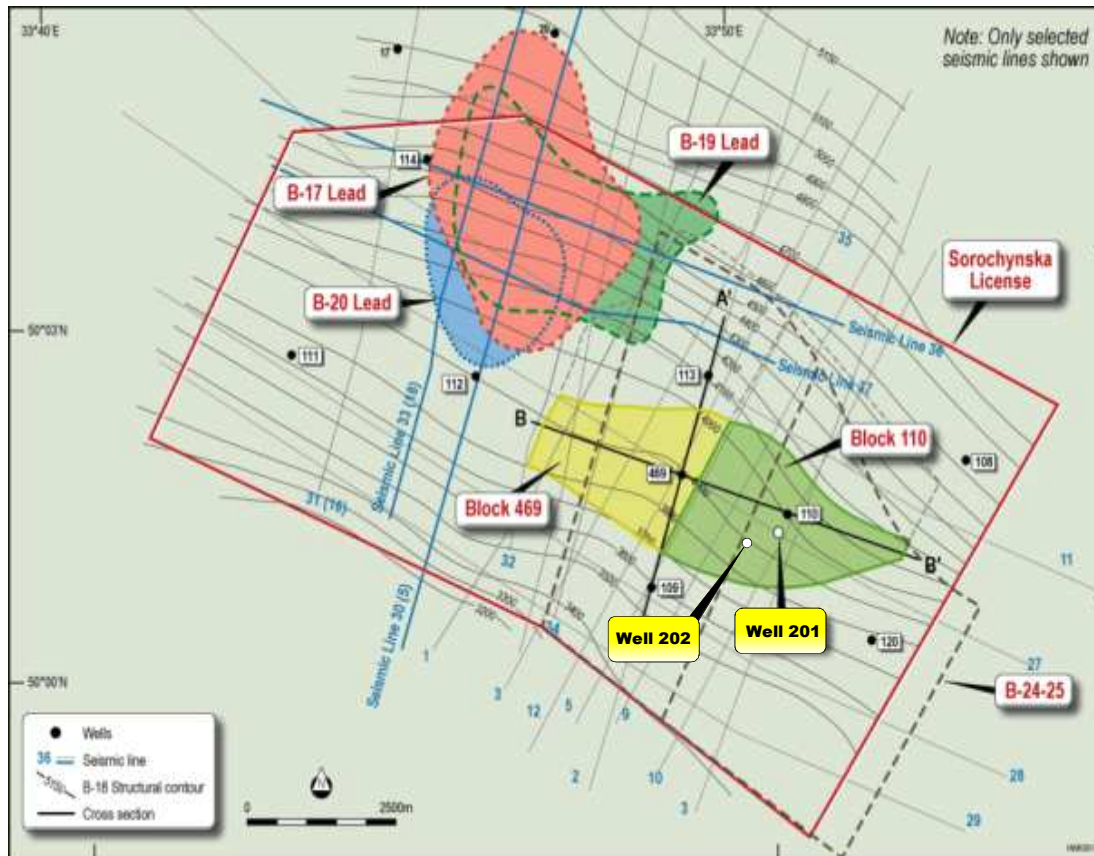
Well 469

Produced from the B18
 Flowed gas on test from the B19



SOROCHYNSKA UPSIDE

Multiple targets. 3D seismic in 2012 will mature prospects



B17, 19, 20 sandstones

- Leads identified.
- Productive in nearby fields

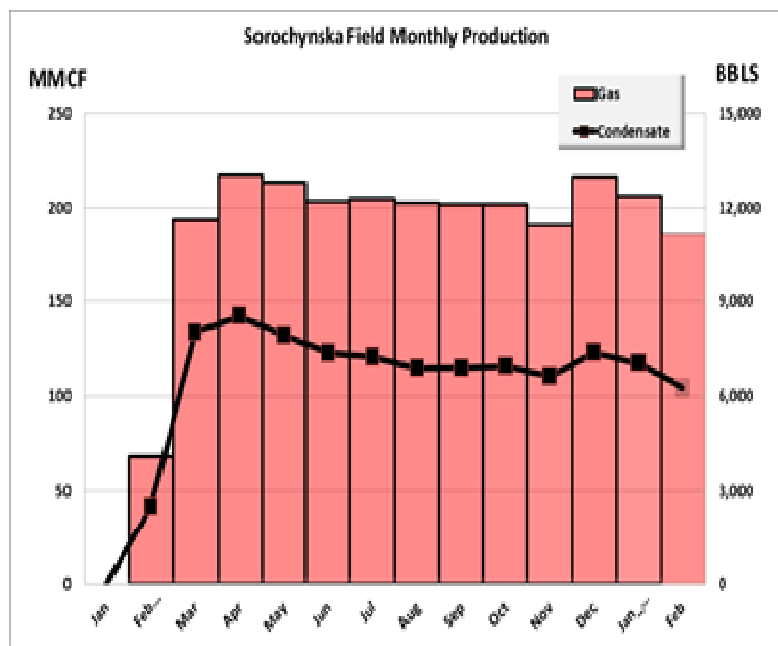
B18b sandstone

- Block 469

B24/B25 carbonate section

- Flowed gas at low rates in wells in the area
- Not adequately tested by Soviet era wells

SOROCHYNSKA: Production & Revenue



Producing 1,350 boe/d from Sorochyńska

- ▶ 6.6 MMCF/d gas +
- ▶ 230 bbl/d condensate

Hawkley Gas Plant

- ▶ Improve processing
- ▶ Increase production capacity

Strong Sales Prices

- ▶ Gas increased in Jan12: US\$0.30c to US\$ 9.90/MCF (Net)
- ▶ US\$ 83/bbl condensate
- ▶ Royalties c.25%

Net Revenue of US\$28.2 million in 2011

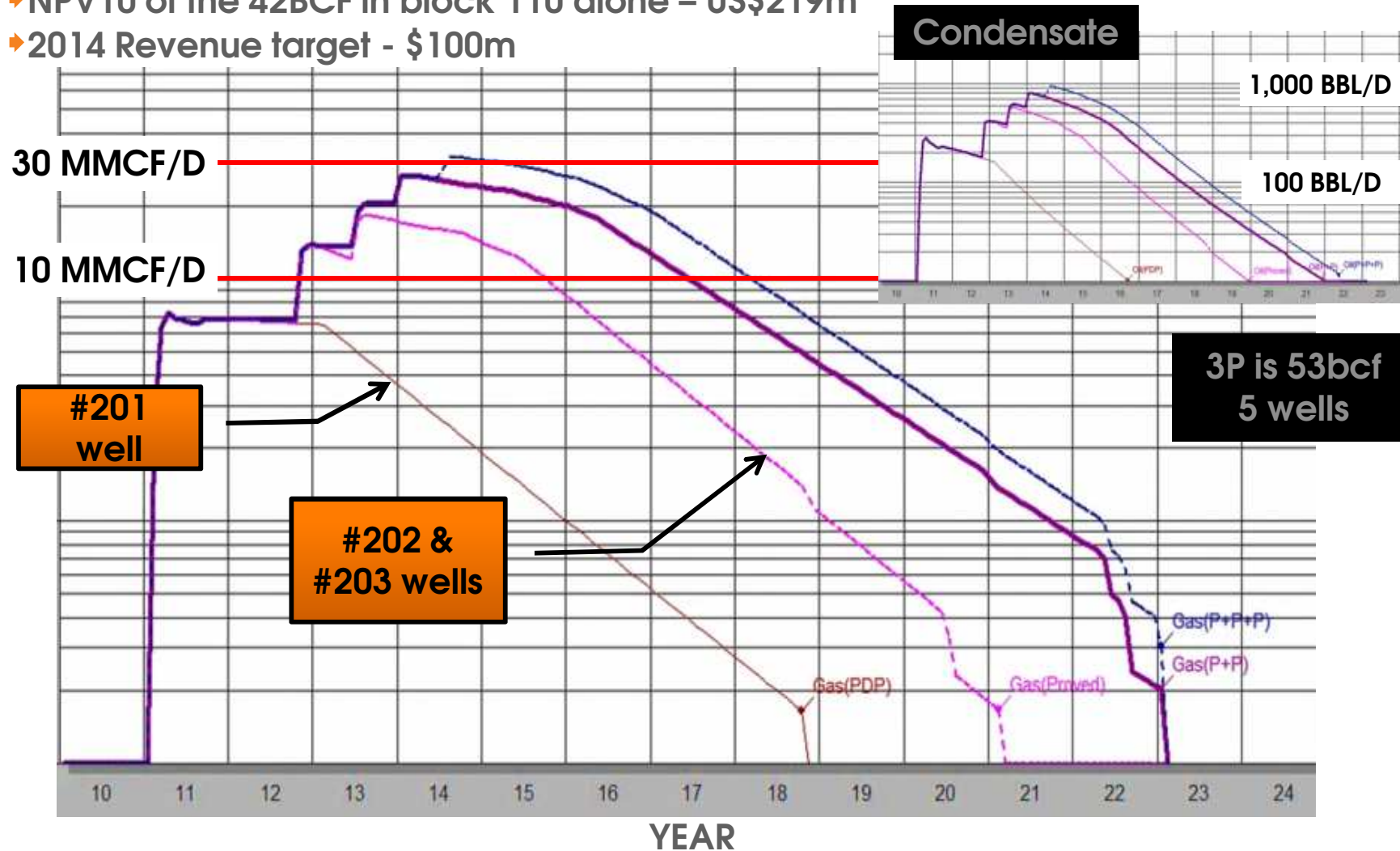
- ▶ EBIT averaged 55%
- ▶ Pre-tax earnings averaged 30%

Production target

- ▶ 6,500 boe/d by Q1 2014

SOROCHYNSKA: 110 BLOCK DEVELOPMENT

- ▶ NPV10 of the 42BCF in block 110 alone – US\$219m
- ▶ 2014 Revenue target - \$100m



SOROCHYNSKA GAS PLANT

- ▶ Gas plant to be built at Sorochynska with trunk line connection direct to Ukrtransgas (state owner of infrastructure)
- ▶ Current plant capacity – 2 wells, some production constraints
- ▶ Delivery of cost savings of US\$250k per month
- ▶ Total cost US\$5m
- ▶ Highly scalable to accommodate possible future increases in production
- ▶ Construction due to start Q2
 - ▶ Land allocation granted
 - ▶ Trunk line connection permission granted
 - ▶ Target Completion Q1 2013



CHERNETSKA UPSIDE: B24/25 carbonates

➤ Chernetska – multiple hydrocarbon bearing horizons

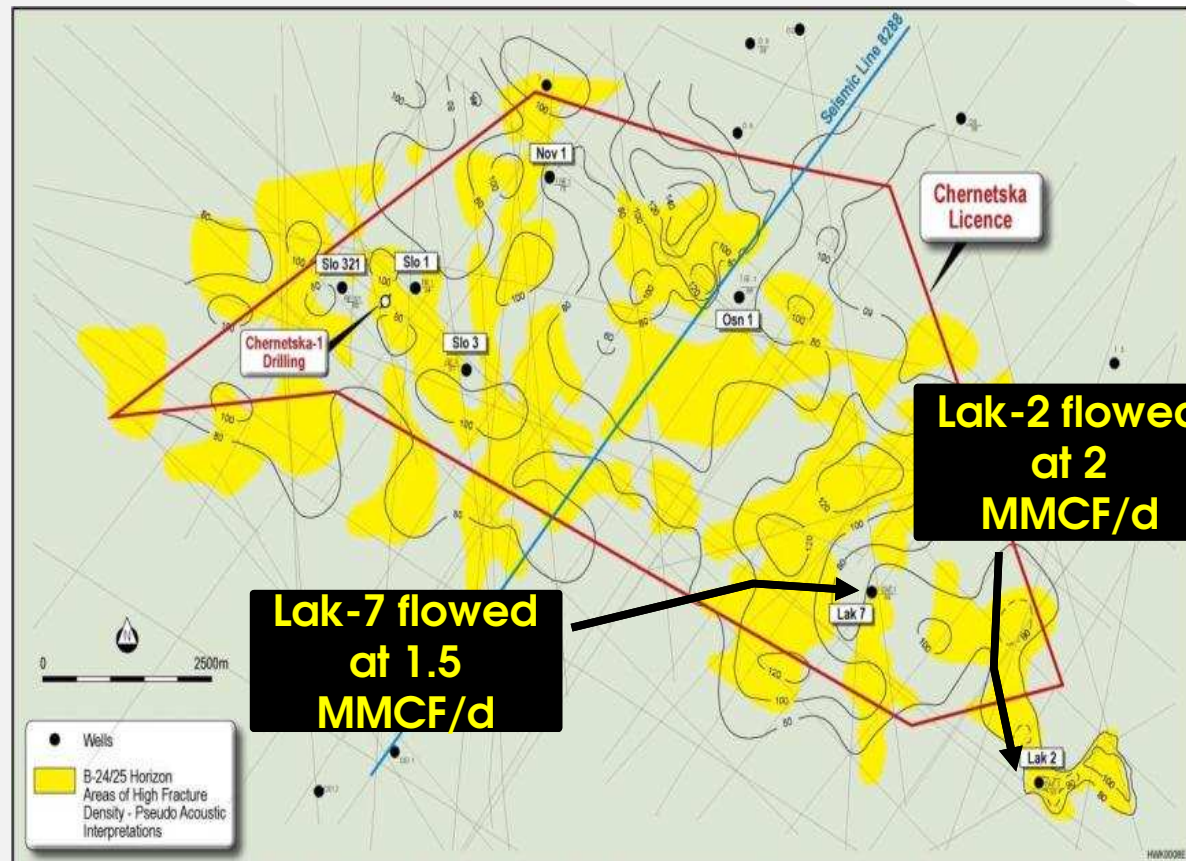
➤ Chernetska Well # 1 test results imminent

➤ B20 sandstone target encountered two thin sandstones with oil shows

➤ 37bcf of 2C resources assigned to B24/25 carbonate

➤ 3C upside is 229bcf (RISC)

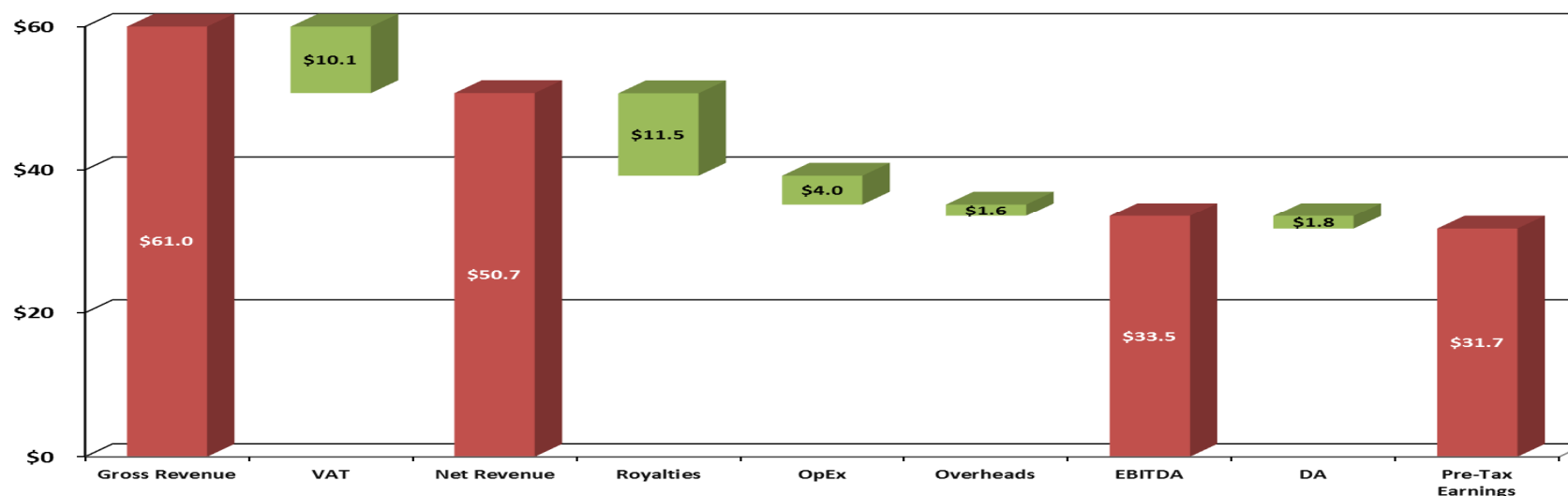
➤ Prospective resources (RISC) 126bcf



FINANCIALS

Feb-Dec 2011

US\$/boe



- ▶ Trading profitably this fiscal year
 - ▶ Good visibility on earnings with steady production
 - ▶ Fully funded for work programme 2012, with US\$15m cash at hand
 - ▶ The Company has no debt or short term loans
- ▶ **Hawkley is aiming to triple revenue in the next 24 months**

SUMMARY

REVENUE GROWTH

SUBSTANTIAL UPSIDE

STRONG MANAGEMENT

FUNDED 2012 PROGRAMME

- ▶ Quality E&P with production of 1,350 boe/d
- ▶ 2P RESERVES OF 41bcf
- ▶ Strong management with local knowledge and reputation
- ▶ Healthy cash balance, debt free
- ▶ Expansion of drilling programme – target 4 rigs working by 2013
- ▶ Targeting production 6500 boe/d and gross revenue of \$100million/yr by Q1 2014

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APPENDICES



RESERVES & RESOURCES DISTRIBUTION

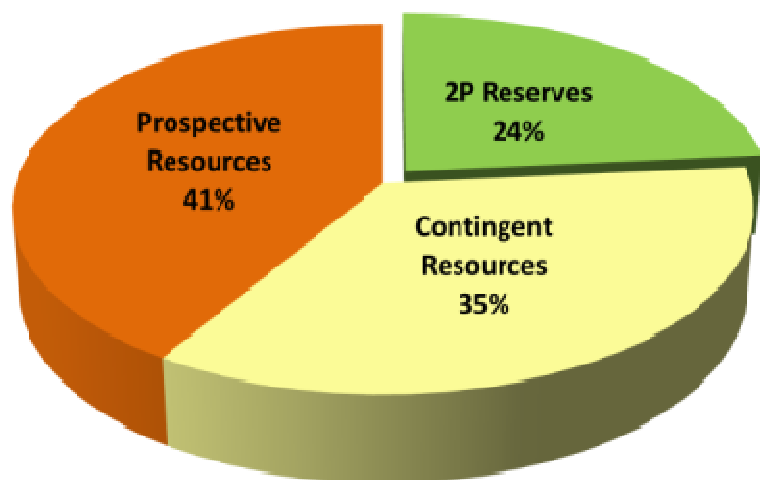
By Licence:

- ▶ 55% Chernetska
- ▶ 45% Sorochynska

By Type:

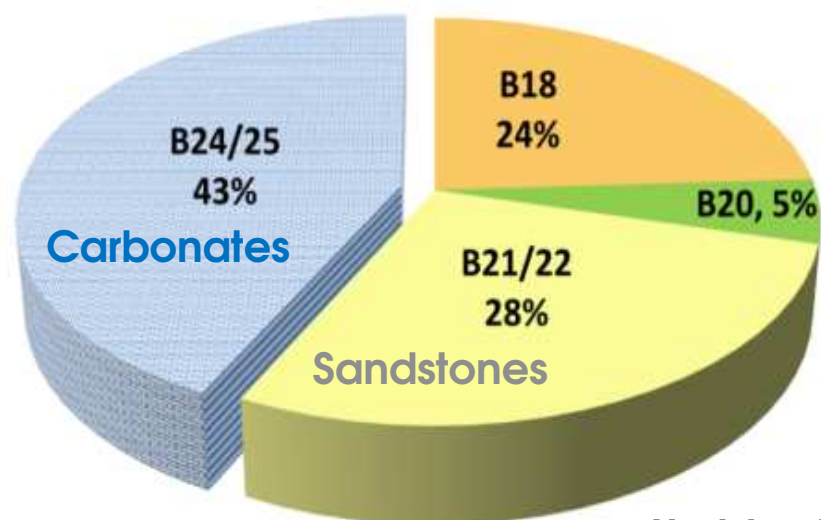
- ▶ 80% Gas (158bcf)
- ▶ 15% Condensate
- ▶ 05% Oil

By Resource Category



Unrisked

By Host Reservoir



Unrisked

Source: RISC (Hawkey Prospectus, 2010) with Moyes update on B18 (Oct 2011)

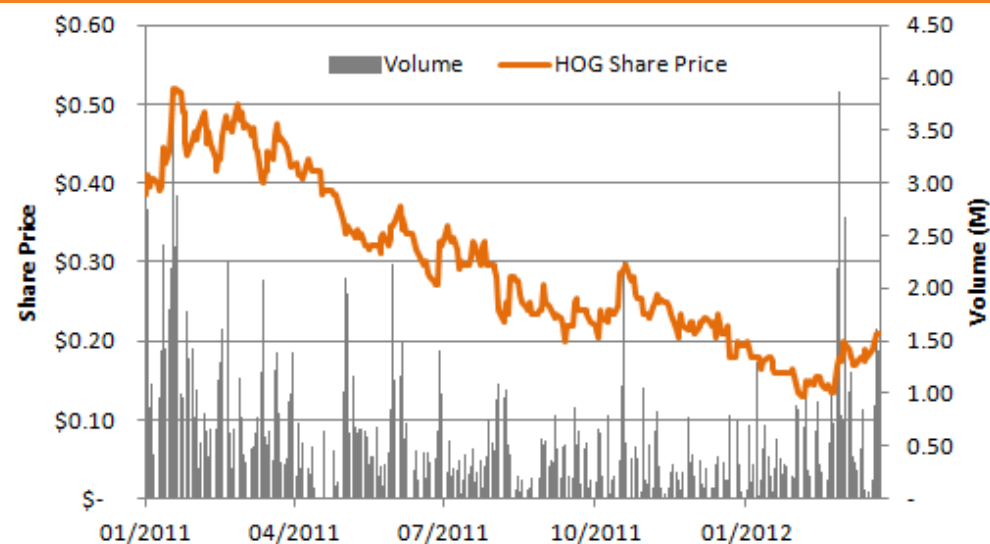
SHARE INFORMATION

ASX Ticker	HOG
Shares on Issue	285.5m
Share Price	\$0.21
Market Capitalisation	\$59.9m

- Top 10 own 47%
- 93m shares are in escrow

Top Shareholders	%
Avenger Inv Holdings Ltd	9.1
Acetone Ltd	8.9
Paul Morgan	6.4
Lextrop Wealth Inc.	6.3
Ballure Trading Ltd	4.3
Citicorp Nom PL	4.2

Share Price



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- ♦ The forecast revenue and production estimates provided in this presentation are based on the company achieving success with its production plans in the next 3 years. The revenue and production estimates are conceptual in nature and until final drilling and testing has been completed, there is insufficient exploration to define gas reserves and it is uncertain if further exploration will result in the determination of a gas reserve.
- ♦ **COMPETENT PERSONS STATEMENT**
- ♦ The hydrocarbon reserves estimates of Sorochynska are based on the information compiled by Mr P.D. Patterson, BS, MBA. Mr Patterson is a registered professional engineer with 30 years of relevant experience and is qualified in accordance with the ASX listing rules. Mr Patterson is Managing Directors of Moyes & Co Inc. and has consented to the inclusion of the information in the format and context in which it appears.

The background of the entire graphic is a low-angle, upward-looking photograph of a modern skyscraper with a glass facade, set against a clear blue sky. The building's lines create a strong sense of height and architectural detail.

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