

ASX Announcement – January 30, 2017**Quarterly Activities Report for the Quarter Ended 31 December 2016**

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

Completion of Ukraine Assets Sale

On 11 November 2016, the Company announced that it had completed the sale of its Ukraine assets to Tomeas Assets Ltd (“Tomeas”), which was approved by shareholders in March 2016. The total consideration of US\$1,000,000 included the initial deposit of US\$100,000 received in February 2016 with the remaining sale proceeds received during the current quarter.

These proceeds were applied to clear the Company’s unsecured loans (A\$598k) and other creditor claims including finalising its Ukraine obligations (US\$345k). As a result, the Company’s balance sheet is substantially improved with no external debt and the only remaining substantial liabilities being outstanding fees owed to current and former directors of approximately A\$380k, extending back more than two years.

Business Development

The Directors advise that the Company is in advanced discussions with respect to a share placement with a private Australian entity. These discussions also entail potential board changes and further financing measures to enable the Company to pursue Oil & Gas acquisition and development opportunities in more politically stable countries outside of Eastern Europe.

For more information, please contact:

Glenn Featherby

Executive Chairman
Hawkley Oil & Gas Limited
Ph: 08 9226 3211**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*:	0.8¢
Market Cap*:	\$2.7M

*As at 30th January, 2017

www.hawkleyoilandgas.com

Petroleum Tenements

During the Quarter the Company sold its 100% beneficial interests in its petroleum tenements in Ukraine through the sale of its wholly owned subsidiary, Janita Global Limited. The Company currently has no petroleum tenements.

Details of the Company's former assets which were sold on 11 November 2016, include:

Sorochynska Production Licence

Location: Onshore Dnieper-Donets Basin, Ukraine
Area: 96.7km²
Hawkley's Interest: 100% reduced to 0%

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 closed and efforts by the Company to restart production were not successful.

Stoliarovska Production Licence

Location: Onshore Dnieper-Donets Basin, Ukraine
Area: 47km²
Hawkley's Interest: 100% reduced to 0%

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.

Chernetska Exploration & Production Licence

Location: Onshore Dnieper-Donets Basin, Ukraine
Area: 51.7km²
Hawkley's Interest: 100% reduced to 0%

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.