

ASX Announcement – 31 January 2020**Quarterly Activities Report for the Quarter Ended 31 December 2019**

Hawkley Oil & Gas Limited (“Hawkley” or “The Company”) provides the following report on its activities for the quarter ended 31 December 2019.

Agreement to Acquire 33% Operating Interest in North Dakota Producing Oil & Gas Project

On 24 October 2019, Hawkley announced that it had entered into a sale and purchase agreement (“SPA”) to acquire an approximate 33% interest and operatorship in a producing oil and gas project (“Project”) in North Dakota, USA, for a total consideration of US\$2.51m (50% cash/ 50 ordinary shares). The Project is focused on production and development from the Midale/Nesson formations within the Williston Basin (there are presently around 300 producing wells in the area).

The Project, based in Burke County, North Dakota, comprises 10 wells across 6,600 gross acres and 29 horizontal drilling locations have been identified across the leases. 7 of these 10 wells are currently in production and achieved net operating cash flows of approximately US\$1.15 million in 2018-19 (being approximately USD \$0.4 million based on the Company's proposed 33% acquisition interest).

Corporate

Mr. Kane Marshall was appointed as a Non-Executive Director of Hawkley on 30 January 2020. Kane has over 20 years’ experience in various roles as a director, geologist, petroleum engineer and company builder. He is currently the Managing Director of Perth Basin and Cooper Basin operator Key Petroleum Limited (ASX: KEY) and his diverse experience base includes technical and managerial roles with private equity funded oil companies, independents and majors. Prior to his appointment to Key Petroleum Limited, Mr Marshall was with Santos as a Consultant Petroleum and Production Engineer with the Roma Implementation Team in Brisbane and as a Reservoir and Petroleum Engineer for both Chevron Australia and Woodside Energy on North-West Shelf projects.

Directors**Tom Fontaine**
Managing Director**Murray Wylie**
Non-Executive Director**Kane Marshall**
Non-Executive Director**Share Information**

ASX Code:	HOG
Shares on Issue:	456.2M
Options on Issue:	25.4M
Share Price*:	0.3¢
Market Cap*:	\$1.4M

*As at 11 May 2017 when shares were suspended from trading on ASX

A draft Notice for a General Meeting of shareholders to be held in Perth in March 2020 is currently with the ASX for review. The meeting is to be convened in order to seek approval for the Project acquisition, consolidation of the Company's securities on a 1 for 10 basis and to undertake a capital raising of \$5 million to \$7million (before costs) via a prospectus. These approvals will be sought to assist the Company in recomplying with Chapters 1 and 2 of the ASX Listing Rules in order to resume trading of its securities.

Hawkley has raised \$375,000 to date via convertible notes under the interim funding arrangements announced on 24 October 2019, with \$285,000 received after the end of the quarter. The funds have been sought to support the ASX recompliance process. CPS Capital Group Pty Ltd ("CPS") was appointed on 6 December 2019 as Lead Manager and Corporate Advisor, with CPS Managing Director Jason Peterson managing the transaction. Woodchester Capital Pty Ltd and its Director, Jason Ferris, will continue to provide advisory services in connection with the interim funding and capital raising.

During the quarter Hawkley also entered into an agreement with Emco Capital Pty Ltd ("Emco") to extend the term of its \$200,000 convertible loan agreement with Emco from 31 December 2019 until 30 April 2020 while the Company pursues its recapitalisation and recompliance.

The Company's securities have been suspended from trading on the ASX since 11 May 2017 following completion of the sale of its Ukraine Oil and Gas assets, whilst the Company has sought to acquire a new main undertaking. Changes to the ASX Listing Rules announced on the 15th April 2019 mean that Hawkley may be automatically removed from the Official List on the 3rd February 2020 if the Company has not completed the acquisition transaction and received all necessary approvals to resume trading of its securities by that time. ASX has agreed to grant Hawkley an extension until 3 March 2020 to obtain shareholder approvals and lodge its prospectus with ASIC, with a further extension until 3 May 2020 to complete its capital raising and resume trading of its securities on the ASX. Whilst the Company is making every effort to satisfy ASX requirements, it should be noted that readmission to trading remains at the absolute discretion of ASX.

Managing Director Tom Fontaine commented: "The proposed North Dakota acquisition represents an excellent project upon which to build a company. It is conventional oil production, from a proven area, with low risk up-side potential. We have a proven strategy to increase oil production rates by recompleting some of the existing wells, and drilling at least one new well. We welcome Kane's addition to the team to help us complete this transaction. We are also actively reviewing additional projects for growth opportunities."

For more information, please contact:

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Petroleum Tenements

The Company currently has no petroleum tenements following the disposal of its Ukraine assets in November 2016.