

ASX Announcement – February 13th, 2012**Hawkley Oil & Gas: Chernetska-1 Update**

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

- Wireline logs run over the B26 sandstone and overlying B25 carbonate indicated the presence of hydrocarbons;
- An openhole test carried out across the interval produced mud filtrate with some gas and condensate;
- Hawkley therefore has decided to carry out a cased-hole test, and has drilled an additional 17m to 4,647m in order to install the casing.

In the previous update announced on February 1st, Hawkley reported that the Chernetska-1 well was drilled to 4,630m and had penetrated the Carboniferous B26 sandstone interval, as per programme, and a full suite of wireline logs was being run.

Interpretation of the wireline logs indicated the presence of hydrocarbons in a 10m interval of the basal part of the B25 carbonate. Owing to the drilling mud penetrating the formation during the testing it is difficult to be precise about the percentage of gas saturation in the reservoir. The B26 formation was also interpreted to be gas saturated, with an estimated net pay of 2m in a thin sandstone, with the potential for additional pay below the drilled depth of 4,630m.

The B26 and basal part of the B25 was then tested by means of the packer in the interval 4,585m to 4,630m. The outcome was an inflow of drilling mud and minor quantities of gas with condensate. The carbonate has low permeability and therefore the B26 sandstone is more likely to be the source of the gas condensate inflow.

It was decided therefore, to carry out a cased-hole test, because this should provide a better indication of the productivity of the reservoirs. In view of the need to install the production casing, an additional 17m was drilled, taking the well to a current depth of 4,647m.

Hawkley expects to be ready for testing in mid-March. Prior to testing, it should take twenty days to run in and install the production casing, to be followed by five days to complete the well and install the flare pit and flare lines.

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

ASX Code:	HOG
Shares on issue:	285.5 million
Options on issue:	39.8 million
Share Price:	15 cents
Market Cap:	\$41 million

CEO's Comments

Chief Executive Dr Michael Earle said that "We are testing Chernetska-1 to assess the potential commerciality of the well. We must complete this exercise until there is some clarity about the deliverability of the reservoirs where hydrocarbons are indicated on logs or during the openhole test."

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.