Hawk Exploration Ltd.

Management's Discussion and Analysis

For the three and six months ended June 30, 2015

This management's discussion and analysis ("MD&A") of the financial condition and results of operations for Hawk Exploration Ltd. ("Hawk" or the "Corporation") is for the three and six months ended June 30, 2015 and should be read in conjunction with the condensed interim financial statements for the three and six months ended June 30, 2015 and the audited financial statements for the years ended December 31, 2014 and 2013.

The financial data presented in this MD&A is in accordance with Part I of Canadian Generally Accepted Accounting Principles ("GAAP") which incorporated International Financial Reporting Standards ("IFRS") for years beginning on or after January 1, 2011. The Corporation's condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

This MD&A is dated August 20, 2015 and was reviewed and approved by the Corporation's Audit Committee and Board of Directors. This MD&A, along with other statutory filings, are available on SEDAR at www.sedar.com or on the Corporation's website at www.hawkexploration.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All forward-looking statements are based on the Corporation's beliefs and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Hawk believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A.

In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to the following: the performance characteristics of Hawk's oil and natural gas properties; business strategies and plans; projections of market prices and cost; supply and demand for oil and natural gas; planned development of the Corporation's oil and natural gas properties; capital expenditure programs for 2015; and the timing and nature of the capital expenditure program in 2015.

The material factors and assumptions used to develop these forward-looking statements include, but are not limited to: the ability of the Corporation to engage drilling contractors, to obtain and transport equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities and plans; the ability of the Corporation to market its oil and natural gas and to transport its oil and natural gas to market; the timely receipt of regulatory approvals and the terms and conditions of such approval; the ability of the Corporation to obtain drilling success consistent with expectations; and the ability of the Corporation to obtain capital to finance its exploration, development and operations.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below, without limitation: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions and exploration and development programs; geological, technical, drilling and processing problems; changes in tax laws and incentive programs relating to the oil and natural gas industry; failure to realize the anticipated benefits of acquisitions; general business and market conditions; and certain other risks detailed from time to time in Hawk's public disclosure documents (including, without limitation, those risks identified in Hawk's Annual Information Form filed on SEDAR).

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Except as required under applicable securities laws, Hawk does not undertake any obligation to publicly update or revise any forward-looking statements.

ADDITIONAL GAAP AND NON-GAAP FINANCIAL MEASURES

The MD&A contains additional GAAP financial measures that do not have any standardized meaning as prescribed by GAAP. Additional GAAP financial measures are line items, headings or subtotals in addition to those required under GAAP, and financial measures disclosed in the notes to the financial statements which are relevant to an understanding of the financial statements and the Corporation's financial performance. Additional GAAP financial measures used in the MD&A include cash flow from operations, working capital deficit and net bank debt. Users are cautioned that additional GAAP financial measures may not be comparable with the calculation of similar measures by other entities.

Cash flow from operations is used by Hawk to analyze operating performance, leverage and liquidity. Cash flow from operations per share is calculated using the same weighted average number of shares outstanding as used in the calculation of net income per share. Cash flow from operations is based on cash flow from operating activities prior to any changes in non-cash working capital and is reconciled as follows:

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Net cash provided by operating activities	**$ 322,029**	$ 1,263,732	**$ (800,861)**	$ 2,882,348
Net change in non-cash working capital	**837,872**	685,581	**2,690,689**	825,603
Cash flow from operations	**$ 1,159,901**	$ 1,949,313	**$ 1,889,828**	$ 3,707,951

The Corporation also uses the term bank debt and working capital deficit as a percentage of annualized cash flow from operations as a way to manage liquidity and capital resources. Annualized cash flow from operations is calculated by taking the cash flow from operations for the six months ended June 30, 2015 of $1,889,828 multiplied by two to arrive at an annualized cash flow of $3,779,656. Working capital deficit includes trade and other receivables, prepaid expenses and trade and other payables from the unaudited interim financial statements.

Hawk also uses the term operating and cash flow netbacks and per boe metrics which are non-GAAP measures. These measures are key performance indicators, however do not have a standardized meaning as prescribed by GAAP, and therefore, may not be comparable with the calculation of similar measures by other entities. Operating netbacks are determined by deducting royalties, production, and transportation expenses from petroleum and natural gas sales on a per boe basis. Cash flow netbacks are determined by deducting general and administrative expenses, net cash interest expense and realized gains and losses on commodity contracts on a per boe basis from operating netbacks, as defined above. Management considers operating and cash flow netbacks to be important measures as they demonstrate profitability relative to current commodity prices. The Corporation uses these measures to help evaluate its performance.

Cash flow from operations, operating and cash flow netbacks are not intended to represent operating profits, nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with GAAP.

BOE PRESENTATION

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet (mcf) of natural gas to one barrel (bbl) of oil is based on an energy conversion method primarily applicable at the burner tip and is not intended to represent a value equivalency at the wellhead. All boe conversions in this MD&A are derived by converting natural gas to oil in the ratio of six thousand cubic feet of natural gas to one barrel of oil. Certain financial amounts are presented on a per boe basis, such measurements may not be consistent with those used by other companies.

DESCRIPTION OF BUSINESS

Hawk was incorporated under the laws of the Province of Alberta on February 2, 2009, is engaged in the exploration, development and production of conventional crude oil in western Canada and is based in Calgary, Alberta. On June 11, 2009, the Corporation closed its Initial Public Offering raising gross proceeds of $12 million. The Class A Shares of Hawk are listed on the TSX Venture Exchange under the trading symbol of HWK.A.

RESULTS OF OPERATIONS

The Corporation reported a net loss for the three months ended June 30, 2015 of $393,391 and a net loss of $1,130,973 for the six months ended June 30, 2015 compared to net income of $334,092 and a net loss of $316,652, respectively for the three and six months ended June 30, 2014, comprised of the following items:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Petroleum and natural gas sales	**$ 3,176,302**	$ 4,978,736	**$ 5,626,063**	$ 9,639,405
Royalties	**(572,304)**	(1,033,745)	**(1,012,181)**	(1,989,439)
	2,603,998	3,944,991	**4,613,882**	7,649,966
Gain (loss) on commodity contracts	**(362,025)**	(132,043)	**(427,599)**	(758,124)
	2,241,973	3,812,948	**4,186,283**	6,891,842
Production expenses	**1,179,572**	1,296,405	**2,374,489**	2,648,884
Transportation expenses	**94,668**	108,389	**183,164**	212,999
General and administrative expenses	**255,595**	240,126	**508,247**	434,452
Share-based compensation expense	**39,312**	38,536	**86,029**	63,679
Exploration and evaluation expense	**54,318**	145,112	**77,246**	893,244
Depletion, depreciation and impairment	**1,072,719**	1,089,734	**2,263,624**	2,199,510
Finance expense	**107,642**	340,875	**211,375**	666,624
	2,803,826	3,259,177	**5,704,174**	7,119,392
Income (loss) before income tax	**(561,853)**	553,771	**(1,517,891)**	(227,550)
Deferred income tax recovery (expense)	**168,462**	(219,679)	**386,918**	(89,102)
Comprehensive income (loss)	**$ (393,391)**	$ 334,092	**$ (1,130,973)**	$ (316,652)
Comprehensive income (loss) per share – basic and diluted	**(0.01)**	(0.01)	**(0.03)**	(0.01)

SALES VOLUMES

Sales volumes for the three months ended June 30, 2015 totaled 61,139 bbls (2014 – 58,541 bbls) of crude oil and NGLs and 11,905 mcf (2014 – 8,678) of natural gas. Hawk's daily average sales for the three months ended June 30, 2015 was 694 boe/d compared to 659 boe/d for the three months ended June 30, 2014. The Corporation's sales volumes for the six months ended June 30, 2015 totaled 129,379 bbls (2014 – 119,830) of crude oil and NGL's and 23,170 mcf (2014 – 17,432) of natural gas. Hawk's daily average sales for the six months ended June 30, 2015 averaged 736 boe/d compared to 680 boe/d for the six months ended June 30, 2014.

Oil and liquids sales have increased for both the three and six months ended June 30, 2015 due to the Corporation's successful oil focused drilling program in the second half of 2014 and the successful well drilled at Forest Bank in the first quarter of 2015.

Sales volume by Product

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Crude oil (bbl/d)	**668**	638	**710**	657
Natural gas (mcf/d)	**131**	95	**128**	110
Natural gas liquids (bbl/d)	**4**	5	**4**	5
Total (boe/d)	**694**	659	**736**	680
Oil and liquids as percent of total	**97%**	98%	**97%**	97%

PETROLEUM AND NATURAL GAS SALES

Petroleum and natural gas sales for the three months ended June 30, 2015 totaled $3,176,302 or $50.32 per boe compared to $4,978,736 or $83.00 per boe for the three months ended June 30, 2014. Sales for the three months ended June 30, 2015 decreased over the three month period in 2014 as Hawk's average realized sales price per boe decreased 39 percent over the period despite a 5 percent increase in production volumes over this same period. Petroleum and natural gas sales for the six months ended June 30, 2015 totaled $5,626,063 or $42.23 per boe compared to $9,639,405 or $78.27 per boe for the six months ended June 30, 2014. Sales for the six months ended June 30, 2015 decreased over the comparable six month period in 2014 as Hawk's average realized sales price per boe decreased 46 percent over the period despite an 8 percent increase in production volumes over this same period.

The heavy oil differential ("Differential") for the three months ended June 30, 2015, being the difference between the West Texas Intermediate ("WTI") price and the Western Canadian Select ("WCS") price, averaged US $11.59 per bbl compared to US $20.04 per bbl in the second quarter of 2014. For the six months ended June 30, 2015, the Differential averaged US $13.16 per bbl compared to US $21.59 per bbl for the six months ended June 30, 2014.

Sales by Product

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Crude oil sales	**$ 3,127,250**	$ 4,895,702	**$ 5,530,056**	$ 9,442,914
Natural gas sales	**32,138**	41,720	**63,978**	107,224
Natural gas liquids sales	**16,914**	41,314	**32,029**	89,267
	$ 3,176,302	$ 4,978,736	**$ 5,626,063**	$ 9,639,405

Realized Prices

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Crude oil sales ($/bbl)	**$ 51.49**	$ 84.29	**$ 43.01**	$ 79.46
Natural gas sales ($/mcf)	**2.70**	4.81	**2.76**	5.38
Natural gas liquids sales ($/bbl)	**41.87**	89.57	**40.08**	89.61
Total Revenue ($/boe)	$ **50.32**	$ 83.00	**$ 42.23**	$ 78.27

Average Benchmark Prices

Crude oil - WTI (US$/bbl)	**$ 57.94**	$ 102.99	**$ 53.29**	$ 100.84
Crude oil - Edmonton Par ($/bbl)	**68.46**	104.13	**60.58**	101.94
Heavy oil - WCS (US$/bbl)	**46.35**	82.95	**40.13**	79.25
Differential – (US$/bbl)	**11.59**	20.04	**13.16**	21.59
Natural gas – AECO spot ($/mcf)	**$ 2.66**	$ 4.69	**$ 2.70**	$ 5.20
Cdn$/US$ Average Exchange Rate	**1.23**	1.09	**1.24**	1.10

COMMODITY CONTRACTS

The Corporation has established a commodity risk management policy approved by the Board of Directors. The purpose of the commodity risk management policy is to protect planned capital budgets, safeguard the economics of acquisitions, and provide downside cash flow protection. At June 30, 2015, Hawk had the following commodity risk management contracts outstanding:

Type	Commodity	Volume	Contract Price ($Cdn/Bbl)	Pricing Point	Term	Fair Value
Financial	Crude Oil	100 Bbl/d	$104.20 Fixed price swap	WTI – Nymex $Cdn	Jan 2015 to June 2015	$90,615
Financial	Crude Oil	100 Bbl/d	$21.25 Fixed price swap	WCS differential $Cdn	Jan 2015 to June 2015	($32,041)
Financial	Crude Oil	100 Bbl/d	$20.45 Fixed price swap	WCS differential $Cdn	Feb 2015 to Dec 2015	($98,951)
Financial	Crude Oil	100 Bbl/d	$73.05 Fixed price swap	WTI – Nymex $Cdn	July 2015 to Dec 2015	($45,801)
Financial	Crude Oil	100 Bbl/d	$72.65 Fixed price swap	WTI – Nymex $Cdn	July 2015 to Dec 2015	($53,140)
Total fair value						($139,318)

At June 30, 2015, a liability of $139,318 (2014 - $486,355) was recognized on the balance sheet for the fair value of the above commodity risk management contracts.

For the three and six months ended June 30, 2015, the Corporation recorded a loss of $362,025 and $427,599, respectively, as summarized in the following table:

Gain (loss) on commodity contracts

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Realized gain (loss)	**$ 180,172**	$ (283,180)	**$ 528,998**	$ (516,584)
Unrealized gain (loss)	**(542,197)**	151,137	**(956,597)**	(241,540)
Total (loss) on commodity contracts	**$ (362,025)**	$ (132,043)	**$ (427,599)**	$ (758,124)
Realized gain (loss) per boe	**$ 2.85**	$ (4.72)	**$ 3.97**	$ (4.19)
Unrealized gain (loss) per boe	**(8.59)**	2.52	**(7.18)**	(1.96)
Total (loss) per boe	**$ (5.74)**	$ (2.20)	**$ (3.21)**	$ (6.15)

ROYALTIES

Royalties for the three months ended June 30, 2015 totaled $572,304 or $9.07 per boe compared to $1,033,745 or $17.23 per boe for the three months ended June 30, 2014 and as a percentage of revenue for the three months ended June 30, 2015, royalties averaged 18.0% (2014 – 20.8%) of petroleum and natural gas revenue. Royalties for the six months ended June 30, 2015 totaled $1,012,181 or $7.60 per boe compared to $1,989,439 or $16.15 per boe for the six months ended June 30, 2014 and as a percentage of revenue for the six months ended June 30, 2015, royalties averaged 18.0% (2014 – 20.6%) of petroleum and natural gas revenue.

Royalties decreased for both the three and six months ended June 30, 2015 compared to same periods in 2014 due to decreased sales revenue for the three and six month periods in 2014. The Corporation expects its future royalty expense, as a percentage of sales revenue, to be in the range of 20 percent.

Royalties by Type

	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Crown royalties	**$ 254,170**	$ 411,263	**$ 430,149**	$ 831,764
Freehold royalties	**209,484**	420,849	**374,348**	821,297
Gross overriding royalties	**108,650**	201,633	**207,684**	336,378
Total Royalties	**$ 572,304**	$ 1,033,745	**$ 1,012,181**	$ 1,989,439
Royalties per boe	**$ 9.07**	$ 17.23	**$ 7.60**	$ 16.15
Royalties as a percent of revenue	**18.0%**	20.8%	**18.0%**	20.6%

PRODUCTION EXPENSES

Production expenses for the three months ended June 30, 2015 totaled $1,179,572 or $18.69 per boe compared to $1,296,405 or $21.61 per boe for the three months ended June 30, 2014. Production expenses for the six months ended June 30, 2015 totaled $2,374,489 or $17.82 per boe compared to $2,648,884 or $21.51 per boe for the six months ended June 30, 2014. Total production expenses decreased for both the three and six months ended June 30, 2015 compared to the same periods of 2014 due to lower propane costs and lower work over expenses.

Production expenses

	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Total production expenses	**$ 1,179,572**	$ 1,296,405	**$ 2,374,489**	$ 2,648,884
Production expense per boe	**$ 18.69**	$ 21.61	**$ 17.82**	$ 21.51

TRANSPORTATION EXPENSES

Transportation expenses for the three months ended June 30, 2015 totaled $94,668 or $1.50 per boe compared to $108,389 or $1.81 per boe for the three months ended June 30, 2014. Transportation expenses for the six months ended June 30, 2015 totaled $183,164 or $1.37 per boe compared to $212,999 or $1.73 per boe for the six months ended June 30, 2014. Transportation expenses incurred by Hawk relate to the costs of trucking clean oil to crude oil sales terminals and to the costs of transporting natural gas to the sales point. These costs for both the three and six months ended June 30, 2015 have decreased compared to the same periods in 2014 as a result of less clean oil hauled in 2015 and the hauling of more emulsion which is included in production expense in 2015.

Transportation expenses

	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Total transportation expenses	**$ 94,668**	$ 108,389	**$ 183,164**	$ 212,999
Transportation expense per boe	**$ 1.50**	$ 1.81	**$ 1.37**	$ 1.73

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses ("G&A") for the three months ended June 30, 2015 totaled $255,595 or $4.05 per boe compared to $240,126 or $4.00 per boe for the three months ended June 30, 2014. G&A expenses for the six months ended June 30, 2015 totaled $508,247 or $3.81 per boe compared to $434,452 or $3.53 per boe for the six months ended June 30, 2014. Gross G&A expenses for the six months ended June 30, 2015 are comparable to those for the six months ended June 30, 2014. Overhead recoveries have decreased significantly for the three and six months ended June 30, 2015 compared to the same periods of 2014 due to a substantial decrease in capital spending and lack of capital overhead recoveries in 2015.

G&A Expenses

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Gross G&A expenses	**$ 454,702**	$ 468,173	**$ 917,060**	$ 904,501
Capitalized salaries	**(165,000)**	(165,000)	**(330,000)**	(330,000)
Overhead recoveries	**(34,107)**	(63,047)	**(78,813)**	(140,049)
General and administrative expenses	**$ 255,595**	$ 240,126	**$ 508,247**	$ 434,452
G&A expenses per boe	**$ 4.05**	$ 4.00	**$ 3.81**	$ 3.53

The Corporation has six full time employees. For the three and six months ended June 30, 2015, Hawk capitalized $165,000 and $330,000, respectively (2014 - $165,000 and $330,000, respectively) of salary expense directly related to exploration activities.

SHARE BASED COMPENSATION EXPENSE

Share based compensation expense was calculated using the Black Scholes option pricing model to estimate the fair value of options granted and amortized over the vesting period of the options granted. The stock option plan is fully described in Note 9(c) of the condensed interim financial statements for the three and six months ended June 30, 2015, while the assumptions used in determining share based payments expense are fully described in Note 9(d) of the condensed interim financial statements.

Share Based Compensation Expenses

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Share based compensation expense	**$ 39,312**	$ 38,536	**$ 86,029**	$ 63,679
Share based compensation expense per boe	**$ 0.62**	$ 0.64	**$ 0.65**	$ 0.52

During the three and six months ended June 30, 2015, Hawk recorded share based compensation expense of $39,312 and $86,029, respectively compared to $38,536 and $63,679, respectively for the three and six months ended June 30, 2014.

EXPLORATION AND EVALUATION EXPENSE

The Corporation's exploration and evaluation ("E&E") expense relates to the capitalized costs from exploration and evaluation assets that have been expensed or expenses incurred during the period in the pre-exploration phase that cannot be capitalized under IFRS. For the three months ended June 30, 2015, the Corporation recorded E&E expense of $54,318 or $0.86 per boe compared to $145,112 or $2.42 per boe for the three months ended June 30, 2014. For the six months ended June 30, 2015, the Corporation recorded E&E expense of $77,246 or $0.58 per boe compared to $893,244 or $7.25 per boe for the six months ended June 30, 2014. The majority of E&E expense for the three months ended June 30, 2015 related to the expiration of certain lands during the quarter.

Exploration and evaluation expense

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Exploration and evaluation expense	**$ 54,318**	$ 145,112	**$ 77,246**	$ 893,244
Exploration and evaluation per boe	**$ 0.86**	$ 2.42	**$ 0.58**	$ 7.25

DEPLETION, DEPRECIATION AND AMORTIZATION ("DD&A")

Hawk recorded DD&A expense for the three months ended June 30, 2015 of $1,072,719 or $16.99 per boe compared to $1,089,734 or $18.17 per boe for the three months ended June 30, 2014. For the six months ended June 30, 2015, Hawk recorded DD&A expense of $2,263,624 or $16.99 per boe compared to $2,199,510 or $17.86 per boe.

The increase in DD&A expense for the six months ended June 30, 2015 compared to the same period in 2014 is a result of increased sales volumes in 2015 compared to 2014 although this has been offset by a reduction in the DD&A expense on a per boe basis. The depletion calculation included future development costs of $12,493,000 at June 30, 2015 and at December 31, 2014.

Depletion, depreciation and amortization

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Depletion, depreciation and amortization	**$ 1,072,719**	$ 1,089,734	**$ 2,263,624**	$ 2,199,510
DD&A per boe	**$ 16.99**	$ 18.17	**$ 16.99**	$ 17.86

FINANCE EXPENSE

Finance expense for the three and six months ended June 30, 2015 totaled $107,642 and $211,375, respectively, compared to $340,875 and $666,624, respectively for the three and six months ended June 30, 2014. . Finance expense has decreased for the three and six months ended June 30, 2015 compared to 2014 due to the conversion of the Class B shares in July 2014 and the reduction in accretion of the Class B share liability. Cash finance expenses have increased for the three and six months ended June 30, 2015 due to increased utilization of the Corporation's credit facility compared to the same periods of 2014. Finance expense is comprised of the following items:

Finance expense

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Interest expense:				
Interest and fees on credit facility	**$ 94,434**	$ 67,578	**$ 187,152**	$ 129,096
Cash finance expense	**$ 94,434**	$ 67,578	**$ 187,152**	$ 129,096
Accretion of asset retirement obligation	**$ 13,208**	$ 14,535	**$ 24,223**	$ 28,997
Accretion of convertible Class B share liability	-	258,762	-	508,531
Finance expense	**$ 107,642**	$ 340,875	**$ 211,375**	$ 666,624
Cash finance expense per boe	**$ 1.50**	$ 1.13	**$ 1.40**	$ 1.05
Finance expense per boe	**$ 1.71**	$ 5.68	**$ 1.59**	$ 5.41

DEFERRED INCOME TAX

The Corporation recorded deferred income tax recovery for the three and six months ended June 30, 2015 of $168,462 and $386,918, respectively, compared to deferred income tax expense of $219,679 and $89,102, respectively for the three and six months ended June 30, 2014.

NETBACKS

Hawk realized average operating netbacks for the three and six months ended June 30, 2015 of $21.06 and $15.44 per boe, respectively, compared to $42.35 and $38.88 per boe, respectively, for the three and six months ended June 30, 2014. The Corporation generated cash flow netbacks for three and six months ended June 30, 2015 of $18.36 and $14.20 per boe, respectively, compared to $32.50 and $30.11 per boe, respectively, for the three and six months ended June 30, 2014. Operating netbacks for the three and six months ended June 30, 2015 have decreased compared to the comparable periods in 2014 due to the large decline in realized prices in 2015 offset by decreases to royalty, production and transportation expenses.

Netbacks

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Petroleum and natural gas sales	**$ 50.32**	$ 83.00	**$ 42.23**	$ 78.27
Royalties	**(9.07)**	(17.23)	**(7.60)**	(16.15)
Production expenses	**(18.69)**	(21.61)	**(17.82)**	(21.51)
Transportation expenses	**(1.50)**	(1.81)	**(1.37)**	(1.73)
Operating netback	**$ 21.06**	$ 42.35	**$ 15.44**	$ 38.88
General and administrative expense	**(4.05)**	(4.00)	**(3.81)**	(3.53)
Net cash interest expense	**(1.50)**	(1.13)	**(1.40)**	(1.05)
Realized gain (loss) on commodity contracts	**2.85**	(4.72)	**3.97**	(4.19)
Cash flow netback	**$ 18.36**	$ 32.50	**$ 14.20**	$ 30.11

CAPITAL EXPENDITURES

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Land	**$ 336**	$ 31,867	**$ 7,303**	$ 32,203
Geological and geophysical	**111**	20,830	**1,712**	36,931
Drilling	**25,896**	995,275	**402,389**	2,115,284
Completion	**93,031**	256,351	**121,474**	515,224
Production equipment and facilities	**64,482**	99,964	**129,122**	535,355
Capitalized general and administrative	**41,250**	41,250	**82,500**	82,500
Office equipment and other	-	-	**15,619**	12,000
Total property, plant and equipment	**$ 225,106**	$ 1,445,537	**$ 760,119**	$ 3,329,497
Land	$ **5,924**	$ 49,749	**$ 56,640**	$ 100,524
Geological and geophysical	**1,190**	111,522	**9,487**	233,673
Exploratory drilling	**16,059**	118,174	**25,393**	806,154
Capitalized general and administrative	**123,750**	123,750	**247,500**	247,500
Total exploration and evaluation	$ **146,923**	403,195	**$ 339,020**	$ 1,387,851
Total capital expenditures	$ **372,029**	$ 1,848,732	**$ 1,099,139**	$ 4,717,348

Hawk incurred capital expenditures on property, plant and equipment for the three months ended June 30, 2015 of approximately $0.2 million compared to $1.4 million for the three months ended June 30, 2014. Hawk did not drill any wells in the second quarter of 2015 compared to three (2.9 net) vertical oil wells in western Saskatchewan during the second quarter of 2014. The Corporation recompleted three (3.0 net) wells in the second quarter of 2015 and incurred recompletion costs of approximately $0.1 million during the quarter. Hawk acquired some surplus tanks and surface equipment during the second quarter of 2015 and incurred approximately $60,000 of production equipment costs during the quarter.

Hawk incurred capital expenditures on exploration and evaluation ("E&E") assets for the three and six months ended June 30, 2015 of approximately $0.1 and $0.3 million, respectively compared to approximately $0.4 and $1.4 million, respectively for the three and six months ended June 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2015, the Corporation had drawn $9.6 million on its existing credit facility and had a working capital deficit of approximately $0.6 million, compared to bank debt of $7.7 million and a working capital deficit of approximately $3.3 million at December 31, 2014. At June 30, 2015, the Corporation had available a $13.5 million revolving demand credit facility (the "Credit Facility") with a Canadian bank. The Credit Facility bears interest at the bank's prime rate plus 0.5 to 1.0 percent, or at bankers' acceptance rates plus a stamping fee of 1.75 percent to 2.25 percent. A standby fee of 0.2 to 0.3 percent is charged on the undrawn portion of the Credit Facility and is secured by a general security agreement with a floating charge over the assets of the Corporation. At June 30, 2015, the Corporation was in compliance with all covenants contained in the Credit Facility.

Subsequent to June 30, 2015, Hawk's credit facility was amended to $11 million ("New Credit Facility") which consisted of a $7 million revolving demand credit facility and a $4 million term facility. The $4 million term facility requires principal repayments of $2 million by December 31, 2015 and $2 million by May 31, 2016. The $7 million revolving facility bears interest at the bank's prime rate plus 0.5 to 2.5 percent, or at bankers' acceptance rates plus a stamping fee of 1.75 percent to 3.5 percent. The $4 million term facility bears interest at the interest rate per the revolving facility plus 2 percent. The New Credit Facility is subject to review with the next review date on or before November 30, 2015. The Corporation is compliant with all the covenants contained in the New Credit Facility.

The Corporation's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. Hawk considers its capital structure to include shareholders' equity, bank debt and working capital. In order to maintain or adjust the capital structure, the Corporation may from time to time issue new shares, seek debt financing and adjust its capital spending to manage current and projected debt levels. The Corporation monitors its capital structure using a measure of net debt to annualized funds flow from operations ratio. Hawk's objective is to maintain a net debt to annualized cash flow from operations ratio of less than two times.

At June 30, 2015, the Corporation's net debt to annualized cash flow from operations ratio was in excess of two times at 2.7 times (December 31, 2014 – 1.5 times) due to decreased commodity prices in the first half of 2015, determined as follows:

	June 30, 2015	December 31, 2014
Bank debt	**$ 9,600,000**	$ 7,700,000
Working capital deficit [(1)]	**606,936**	3,297,625
Net debt	**10,206,936**	10,997,625
Annualized cash flow from operations [(2)]	$ **3,779,656**	$ 7,255,782
Net debt to annualized funds flow from operations	**2.7**	1.5

(1) Working capital deficit is an additional-GAAP measure that includes trade and other receivables, prepaid expenses, and trade and other payables.
(2) Cash flow from operations is an additional-GAAP measure. See disclaimer and reconciliation of cash flow from operations to net cash provided from operating activities on page 3 of this MD&A.

Due to the decline in commodity prices in the second half of 2014 and into 2015, the Corporation's revenues have declined and Hawk has incurred net losses for the three and six months ended June 30, 2015. At June 30, 2015, the Corporation had bank debt and a working capital deficit totaling $10.2 million (December 31, 2014 - $11 million). The Corporation recently renewed its credit facility for a total of $11 million with a $2 million principal repayment required by December 31, 2015 and an additional $2 million principal repayment required by May 31, 2016. Additionally, Hawk is committed to drill one earning well prior to the end of September 2015 under a farm in commitment which is estimated to cost approximately $0.3 million. The Corporation expected to fund the principal repayments and farm in commitment by way of cash flow from operating activities, however, given the recent decline in crude oil prices, additional sources of financing may be required. Additional sources of financing may include proceeds from asset dispositions, proceeds from the issuance of equity or an increase in the revolving credit facility although there are no assurances the additional sources of financing will be available to the Corporation. See Note 2 – Going Concern in the Corporation's interim financial statements for the three and six months ended June 30, 2015.

These conditions give rise to material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. The Corporation's ability to continue as a going concern will be dependent on commodity prices and the Corporation's ability to obtain additional sources of financing.

SHARE CAPITAL

The following table sets forth the share capital and stock options outstanding as at June 30, 2015 and as at the date of this MD&A:

	August 20, 2015	June 30, 2015
Class A common shares	45,575,952	45,575,952
Options to acquire Class A common shares	4,485,000	4,485,000

OFF BALANCE SHEET ARRANGEMENTS

The Corporation does not have any special purpose entities nor is it a party to any arrangements that would be excluded from the balance sheet.

RELATED PARTY TRANSACTION

The Corporation leases office space, office furnishings, and computer and telephone equipment from a company controlled by certain members of management of Hawk. The lease was made in the Corporation's normal course of operations. During the three and six months ended June 30, 2015, the Corporation expensed $20,026 and $40,267, respectively (2014 - $20,672 and $41,344, respectively) pertaining to office lease costs.

The Corporation has a farm-in agreement with Trihawk Energy Ltd., ("Trihawk"), a company owned by certain members of management of Hawk. Under the terms of the farm-in agreement, Hawk has the option to farm-in on certain lands owned by Trihawk in return for a ten percent, non-convertible, gross overriding royalty. The farm-in agreement was made in the normal course of operations. For the three and six months ended June 30, 2015, $19,730 and $42,259, respectively (2014 - $45,789 and $87,091, respectively) of gross overriding royalties due to Trihawk under the terms of the farm-in agreement has been included in the statement of operations. At June 30, 2015, $14,284 (2014 - $30,208) was included in accounts payable as gross overriding royalties owing to Trihawk.

COMMITMENTS

Under an office lease agreement, as discussed in the Related Party Transaction section, the Corporation is committed to minimum annual lease payments as follows:

2015	$ 40,381
2016	$ 80,104
2017	$ 80,104
2018	$ 6,803

The Corporation has entered into certain farm-in agreements with third parties to earn working interests in additional prospective acreage. At June 30, 2015, Hawk's required future commitments under the terms of these agreements are estimated to be $0.3 million, which form part of the Corporation's capital program for 2015.

RISKS AND UNCERTAINTIES

The business of exploration, development, production and acquisition of oil and gas reserves involves a number of uncertainties and as a result Hawk is exposed to certain business risks inherent in the oil and gas industry which impact Hawk's results. Information on these and other risk factors that could affect operations or financial results are included in more detail under the heading "Risk Factors" in Hawk's most recently filed Annual Information Form which can be found at www.sedar.com or on the Corporation's website at www.hawkexploration.ca.

OUTLOOK

Hawk set a 2015 capital budget of $2 million of which $1.1 million was spent up to June 30, 2015. Hawk plans to drill one (1.0 net) well in the Coleville (Eureka) area of Saskatchewan which will earn the Corporation a 100% working interest in 480 acres of land under a farm in agreement. This well is expected to be drilled by the end of the third quarter. Additional capital spending for the second half of 2015 includes 3 (2.0 net) recompletions of existing well bores in the Forest Bank area. Given the current commodity prices however, the Corporation may defer the well recompletions until commodity prices improve.

The Corporation will continue to focus on debt reduction in light of the continued decline in commodity prices into the third quarter of 2015. We continue to expect to see improvements in the overall cost structure in the industry as Hawk's operating and transportation costs per boe for the six months ended June 30, 2015 have decreased by 17 percent from the same period of 2014.

Despite minimal capital investment in 2015, the Corporation's production has been resilient with current production estimated at 750 boe/d which speaks to the solid asset base the Corporation has built. As noted in our press release on May 26, 2015, approximately 70 percent of Hawk's production is located in the province of Saskatchewan. In addition, 88% of the $12.5 million of future capital identified in the Corporation's 2014 reserve report is located in the province of Saskatchewan while the remaining 12% of future capital is located on freehold land in Alberta that is not subject to Alberta crown royalties. Any future review of the Alberta crown royalty regime is not expected to have a significant impact on the Corporation or on its future capital projects.

SUMMARY OF QUARTERLY INFORMATION

Financial ($000's, except per share)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Petroleum and natural gas sales	$ 3,176	$ 2,450	$ 4,136	$ 4,627	$ 4,978	$ 4,661	$ 3,795	$ 4,788
Cash flow from operations	1,160	730	1,816	1,732	1,949	1,759	1,299	2,105
Per share, basic and diluted	0.02	0.02	0.04	0.05	0.06	0.05	0.04	0.06
Net income (loss)	(393)	(738)	397	132	334	(651)	(1,532)	67
Per share, basic and diluted	(0.01)	(0.02)	0.01	0.00	0.01	(0.02)	(0.05)	0.00
Capital expenditures	372	727	3,453	2,499	1,849	2,869	3,105	3,342
Total assets (end of period)	$ 38,227	$ 38,937	$ 39,801	$ 37,442	$ 36,849	$ 36,181	$ 34,460	$ 33,349
Operations								
Average Daily Production								
Crude oil (Bbl/d)	668	754	729	628	638	675	661	588
Natural gas (Mcf/d)	131	110	110	116	95	125	107	123
Natural gas liquids (Bbl/d)	4	4	4	4	5	6	4	5
Total (Boe/d)	694	779	751	652	659	702	683	613
Operating netback ($/boe)	21.07	10.37	25.94	35.67	42.35	35.59	27.33	46.90
WCS heavy oil price (US $/bbl)	46.35	33.90	58.90	76.99	82.95	75.55	65.26	88.34

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies, judgments, estimates and assumptions used by Hawk are disclosed in the Corporation's annual audited financial statements for the year ended December 31, 2014.

SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

The interim financial statements follow the same accounting policies and methods of application as the annual financial statements for the year ended December 31, 2014 with the exception of deferred taxes. Taxes in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.