



## PRESS RELEASE

### HAWK ANNOUNCES YEAR END RESERVES AND PROVIDES OPERATIONS UPDATE

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March 25, 2015 – Calgary, Alberta – Hawk Exploration Ltd. (“Hawk” or the “Corporation”) is pleased to provide an operations update and a summary of its December 31, 2014 reserve information as evaluated by GLJ Petroleum Consultants Ltd. (“GLJ”).

#### HIGHLIGHTS

- Increased total proved plus probable reserves by 59% to 2,875 thousand barrels of oil equivalent (“MBoe”) from 1,814 MBoe;
- Increased total proved reserves by 17% to 1,335 MBoe from 1,145 MBoe;
- Added total proved plus probable reserves in 2014 at a finding and development cost of \$15.68 per Boe, including the change in future development costs,
- Added total proved reserves at a finding and development cost of \$28.98 per Boe, including the change in future development costs;
- Achieved a recycle ratio on a proved plus probable basis of 2.2 times based on estimated 2014 operating netback of \$34.57 per Boe;
- Achieved a recycle ratio on a proved basis of 1.2 times; and
- Replaced 2014 production on a proved plus probable basis by 527% and on a proved basis by 177%.

#### OPERATIONS

During the first quarter of 2015, Hawk drilled one (1.0 net) well targeting heavy oil in the Forestbank area of western Saskatchewan. The well was the second earning well under a farm-in agreement in the Forestbank area where Hawk paid 100% of the drilling, completion and equipping to earn a 65% working interest in this well and one section of land at Forestbank. The well encountered net oil pay in the Sparky, Waseca, and McLaren Formations. The well was completed in the Sparky zone and is currently producing at a rate of 50 bbl/d (33 net) of oil.

Hawk reported record quarterly production in the fourth quarter of 2014 of 751 boe/d. As a result of low oil prices, the Corporation has shut in approximately 50 bbl/d of uneconomic production from higher operating cost wells. Despite the shut in wells, Hawk expects another record quarter of production of approximately 780 boe/d in the first quarter of 2015.

## HEDGING UPDATE

Hawk has established a commodity risk management program to provide downside cash flow protection and to protect planned capital budgets. For the remainder of 2015, the Corporation has the following hedges in place:

Type	Commodity	Volume	Contract Price (\$Cdn/Bbl)	Pricing Point	Term
Financial	Crude Oil	100 Bbl/d	\$104.20 Fixed price swap	WTI – Nymex \$Cdn	Jan 2015 to June 2015
Financial	Crude Oil	100 Bbl/d	\$21.25 Fixed price swap	WCS differential \$Cdn	Jan 2015 to June 2015
Financial	Crude Oil	100 Bbl/d	\$20.45 Fixed price swap	WCS differential \$Cdn	July 2015 to Dec 2015
Financial	Crude Oil	100 Bbl/d	\$73.05 Fixed price swap	WTI – Nymex \$Cdn	July 2015 to Dec 2015

## RESERVES

GLJ prepared an independent engineering report in accordance with National Instrument 51-101 (“NI 51-101”) with an effective date of December 31, 2014 (the “GLJ Report”). The tables below are a summary of the oil, NGL and natural gas reserves attributable to the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Report.

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures and well abandonment costs for only those wells assigned reserves by GLJ. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by GLJ represents the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The reserve data provided in this press release only represents a summary of the disclosure required under NI 51-101. Additional reserves disclosure will be provided in the Corporation’s Annual Information Form to be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on or before April 30, 2015. The tables summarize the data contained in the GLJ Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

### Summary of Oil and Gas Reserves as of December 31, 2014

#### Reserves Summary

Reserves Category	Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
<b>Proved</b>								
Developed Producing	720	619	165	129	7	5	753	646
Developed Non-producing	213	186	309	187	3	2	267	220
Undeveloped	298	247	79	63	4	3	314	260
<b>Total Proved</b>	1,230	1,053	552	379	13	10	1,335	1,126
<b>Probable</b>	1,344	1,142	1,119	743	9	7	1,540	1,273
<b>Total Proved plus Probable</b>	2,574	2,193	1,672	1,123	22	18	2,875	2,399

### Net Present Value Summary as of December 31, 2014

Reserves Category	Net Present Value of Future Net Revenue Before Income Taxes					Unit Value Before
	Discounted At (%/year)					Income Tax
	0%	5%	10%	15%	20%	Discounted
	M\$	M\$	M\$	M\$	M\$	at 10%/year
						\$/boe
<b>Proved</b>						
Developed Producing	17,095	15,325	13,921	12,782	11,840	21.56
Developed Non-producing	6,806	4,696	3,378	2,524	1,951	15.35
Undeveloped	7,187	5,663	4,534	3,677	3,015	17.41
<b>Total Proved</b>	<b>31,088</b>	<b>25,683</b>	<b>21,832</b>	<b>18,983</b>	<b>16,806</b>	<b>19.39</b>
<b>Probable</b>	<b>39,830</b>	<b>29,965</b>	<b>23,247</b>	<b>18,492</b>	<b>15,016</b>	<b>18.26</b>
<b>Total Proved plus Probable</b>	<b>70,918</b>	<b>55,648</b>	<b>45,080</b>	<b>37,475</b>	<b>31,822</b>	<b>18.79</b>

### Total Future Net Revenue (Undiscounted) as of December 31, 2014

Reserves Category	Revenue M\$	Royalties M\$	Operating Cost M\$	Capital Development Costs M\$	Abandonment Costs M\$	Future Net
						Revenue Before Income Tax M\$
<b>Total Proved</b>	85,133	13,693	34,274	4,426	1,653	31,088
<b>Total Proved plus Probable</b>	191,595	31,824	73,547	12,864	2,443	70,918

### Summary of Forecast Pricing and Inflation Assumptions

The GLJ Report used the following prices, exchange rates, and inflation rate assumptions as of December 31, 2014:

Year	WTI Cushing Oklahoma (\$US/bbl)	Edmonton 40 degree API Crude Oil (\$CAD/bbl)	WCS Crude Oil (\$CAD/bbl)	AECO – NIT Spot (\$CAD/mmbtu)	Inflation Rate %	Exchange Rate (\$US/\$CAD)
2015	62.50	64.71	54.35	3.31	2.0	0.850
2016	75.00	80.00	67.20	3.77	2.0	0.875
2017	80.00	85.71	72.00	4.02	2.0	0.875
2018	85.00	91.43	76.80	4.27	2.0	0.875
2019	90.00	97.14	81.60	4.53	2.0	0.875
2020	95.00	102.86	86.40	4.78	2.0	0.875
2021	98.54	106.18	89.19	5.03	2.0	0.875
2022	100.51	108.31	90.98	5.28	2.0	0.875
2023	102.52	110.47	92.79	5.53	2.0	0.875
2024	104.57	112.67	94.65	5.71	2.0	0.875

Escalated at 2.0 % per year thereafter.

**FINDING AND DEVELOPMENT COSTS (“F&D”) <sup>(1)</sup>**

	2014		2013		Three Year Average	
	Proved	Proved plus Probable	Proved	Proved plus Probable	Proved	Proved plus Probable
Exploration and development costs (M\$) <sup>(2)</sup>	10,580	10,580	8,899	8,899	28,631	28,631
Change in future development cost (M\$)						
Exploration and development	2,146	9,957	(481)	(876)	2,914	9,919
Total costs (M\$)	12,726	20,537	8,418	8,023	31,545	38,550
Net reserve additions and revisions (Mboe)	439	1,310	242	324	1,208	2,226

**Finding and Development – including future development cost (\$/boe)**

Total F&D costs (\$/boe)	28.98	15.68	34.73	24.78	26.12	17.32
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<sup>(1)</sup> The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

<sup>(2)</sup> The Corporation’s annual audit of the 2014 financial statements has not been completed and accordingly all financial amounts are management’s best estimates which are unaudited and subject to change.

**NET ASSET VALUE**

M\$, except per share amounts	December 31, 2014
Proved plus probable reserves discounted at 10% (before taxes)	45,080
Undeveloped land and seismic <sup>(1)</sup>	5,947
Net debt and working capital deficit <sup>(2)</sup>	(10,998)
Proceeds from dilutive options	1,615
Net asset value	41,644
Fully diluted Class A shares outstanding (000’s) <sup>(3)</sup>	50,102
Net asset value per fully diluted Class A share	\$0.83

<sup>(1)</sup> Undeveloped land is based on management’s internal estimate at December 31, 2014. Hawk had a total of 34,059 net acres of land at December 31, 2014 assessed at an average value of \$125 per net acre. The value of seismic data is based on management’s internal estimate at December 31, 2014 using a percentage of costs incurred in shooting the seismic data.

<sup>(2)</sup> The Corporation’s annual audit of the 2014 financial statements has not been completed and accordingly all financial amounts are management’s best estimates which are unaudited and subject to change.

<sup>(3)</sup> Includes Class A shares outstanding at December 31, 2013 of 45,575,952 plus dilutive options of 4,526,500.

**LAND HOLDINGS**

Acres	Developed		Undeveloped		Total	
	Gross	Net	Gross	Net	Gross	Net
Alberta	3,800	2,937	18,680	18,146	22,480	21,083
Saskatchewan	2,950	2,501	20,029	15,913	22,979	18,414
Total	6,750	5,438	38,709	34,059	45,459	39,497

Hawk is an emerging company engaged in the exploration, development and production of conventional crude oil and natural gas in western Canada and is based in Calgary, Alberta. The Class A Shares of Hawk trade on the TSX Venture Exchange under the trading symbols of HWK.A.

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*Certain statements contained in this press release 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 press release should not be unduly relied upon. These statements speak only as of the date of this press release.*

*In particular, but without limiting the foregoing, this press release contains forward-looking statements pertaining to the following: the volumes and estimated value of the Corporation's oil and gas reserves; future oil and natural gas prices; future costs, expenses, royalty rates and the exchange rate between the \$US and \$CAD; supply and demand for oil and natural gas; planned development of the Corporation's oil and natural gas properties; expected first quarter 2015 production; and future capital expenditure programs.*

*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 including, 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.*

*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 press release 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.*

*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 press release 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.*