AWK EXPLORATION LTD.

PRESS RELEASE

HAWK ANNOUNCES FIRST QUARTER 2015 RESULTS

May 27, 2015 – Calgary, Alberta – Hawk Exploration Ltd. ("Hawk" or the "Corporation") announces its results for the three months ended March 31, 2015. The Corporation's interim financial statements for the three months ended March 31, 2015 and management's discussion and analysis for the three months ended March 31, 2015 are available for viewing on SEDAR at www.sedar.com or on Hawk's website at www.hawkexploration.ca under Investor Information – Financial Reports. All amounts herein are reported in Canadian dollars, unless otherwise stated.

HIGHLIGHTS

Highlights for the three months ended March 31, 2015 were as follows:

- Achieved record production of 779 boe/d of production in the first quarter of 2015 , a 11% increase over the 702 boe/d average production in the first quarter of 2014;
- Decreased operating costs in the first quarter of 2015 by 20% to $17.04 per boe compared to $21.41 the first quarter of 2014;
- Generated funds flow from operations of $0.7 million in the first quarter of 2018, a 58% decrease from the $1.8 million in funds flow in the first quarter of 2014 due to a dramatic decline in oil prices; and
- Drilled one (1.0 net) successful vertical oil well in the first quarter of 2014 in the Forest Bank area of western Saskatchewan which earned a 65% working interest in the well and one section of land;

Selected financial and operational information for the three months ended March 31, 2015 is provided as follows:

	Three months ended March 31,		
	2015	2014	% Change
Financial ($000's except per share amounts)			
Petroleum and natural gas sales	**$ 2,450**	$ 4,661	(47%)
Cash flow from operations [1]	**730**	1,759	(58%)
Per share	**0.02**	0.05	(60%)
Comprehensive loss	**(738)**	(651)	(13%)
Per share	**(0.02)**	(0.02)	-%
Capital expenditures [2]	**727**	2,869	(75%)
Working capital deficit - excluding bank debt and commodity contracts, end of period [1]	**$ 1,445**	$ 2,586	(44%)
Bank debt, end of period	**9,550**	6,150	55%
Total assets, end of period	**$ 38,937**	36,181	7%
Common Shares outstanding end of period:			
Class A Shares	**45,576**	34,606	32%
Class B Shares	**-**	1,080	(100%)
Options to acquire Class A Shares	**4,527**	3,422	32%

		Three months ended March 31,		
		2015	2014	% Change
Operations				
Production				
Crude oil and natural gas liquids (bbl/d)		**758**	681	11%
Natural gas (mcf/d)		**125**	125	-%
Total (boe/d)		**779**	702	11%
Oil and liquids as percent of total		**97%**	97%	-%
Average Selling Price				
Crude oil and ngls (per bbl)	**$**	**35.43**	$ 74.98	(53%)
Natural gas (per mcf)		**2.83**	5.82	(51%)
Total (per boe)		**34.94**	73.79	(53%)
Operating netback (per boe at 6:1) [3]				
Price	**$**	**34.94**	$ 73.79	(53%)
Royalties		**(6.27)**	(15.13)	(59%)
Production expense		**(17.04)**	(21.41)	(20%)
Transportation expense		**(1.26)**	(1.66)	(24%)
Operating netback ($/boe)	**$**	**10.37**	$ 35.59	(71%)

[1] The terms cash flow from operations, cash flow from operations per share, working capital deficit and net debt to annualized cash flow ratio are additional GAAP financial measures. These measures are further described on page 3 of the Corporation's MD&A for the three months ended March 31, 2015 under the heading "Additional GAAP and Non-GAAP Financial Measures". Users are cautioned that additional GAAP financial measures may not be comparable with the calculation of similar measures by other entities.

[2] Capital expenditures include cash exploration and evaluation expenditure plus cash property, plant and equipment net of dispositions and exclude asset retirement obligations and capitalized share-based payments.

[3] Management uses the terms operating and cash flow netbacks per boe 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. Management considers operating and cash flow netbacks to be important measures as they demonstrate profitability relative to current commodity prices.

Financial

Hawk achieved cash flow from operations in the first quarter of 2015 of approximately $0.7 million compared to $1.8 million for the first quarter of 2014 due to the dramatic decrease in oil prices in the first quarter of 2015, despite an 11% increase in production volumes. Western Canadian Select ("WCS") prices for the first quarter of 2015 averaged US$33.90 per bbl compared to US$75.55 per bbl in the first quarter of 2014, a 55% decrease. Hawk's realized oil prices decreased by 53% in the first quarter of 2015 to $35.43 per bbl compared to $74.98 per bbl in the first quarter of 2014.

Hawk generated an operating netback of $10.37 per boe for the first quarter of 2015 which is 71% lower than the operating netbacks for the first quarter of 2014 of $35.59 per boe to decreased realized oil pricing in 2015. The decrease in realized oil pricing was offset, on a per boe basis, by decreased royalty, transportation and production expenses. Hawk's production expenses per boe decreased by 20% in the first quarter of 2015 to $17.04 per boe compared to $21.41 per boe in the first quarter of 2014 due to reduced propane costs, reduced well work over expenses and the shut in of some uneconomic production during the first quarter of 2015.

Capital spending for the first quarter of 2015 totaled approximately $0.7 million which was equal to cash flow for the quarter. During the first quarter of 2015, Hawk drilled one well in the Forest Bank area of western Saskatchewan with capital costs to drill, complete and equip this well totaling approximately $470,000. The remainder of capital costs for the quarter included capitalized salaries of $165,000, land acquisition costs of $58,000 and office and seismic license costs of $16,000.

At March 31, 2014, Hawk had $9.55 million drawn on its existing $13.5 million credit facility, with the next review scheduled to be conducted by May 31, 2015. The Corporation has held preliminary discussions with its lender regarding the renewal of its credit facility which is expected to be completed by June 30, 2015. As a result of the precipitous decline in commodity prices, many oil and gas companies, including Hawk, are facing a number of uncertainties. There is no assurance that the amount or terms of the Corporation's credit facility will not be adjusted at the next review and if so, the Corporation may need to seek alternative sources of financing. At March 31, 2015, the Corporation was in compliance with all covenants contained in the credit facility. At March 31, 2015, the Corporation had net debt and working capital deficit of approximately $11.0 million and a net debt to cash flow of 3.8 times based on annualized first quarter 2015 cash flow.

Outlook

In response to the depressed commodity prices, the Corporation has set a conservative capital budget for 2015 of approximately $2 million, of which $0.7 million was spent in the first quarter of 2015. Hawk plans to drill one (1.0 net) vertical 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. The remainder of the capital program for 2015 will be for well recompletions in the Forest Bank area of western Saskatchewan where the Corporation plans to recomplete 4 (2.6 net) existing wellbores.

For the first quarter of 2015, WCS prices averaged $42.10 per bbl with the WCS differential averaging US $14.73 per bbl. The Corporation has seen an improvement in the WCS pricing environment to date in the second quarter of 2015 with WCS posted prices averaging $52.76 per bbl to date in the second quarter which is a 25% increase in WCS prices over the first quarter of 2015. The current posted WCS price is approximately $57.36 per bbl which is 36% increase over the first quarter of 2015. The improved pricing environment for WCS oil is due to both improved WTI prices as well as narrower WCS heavy oil differentials.

Hawk expects second quarter 2015 production to average approximately 680 boe/d. This decrease from the first quarter of 2015 is attributed to production curtailment associated with spring break up, the shut in of some uneconomic production volumes during the first and second quarters of 2015 and natural declines. Current production is approximately 720 boe/d, based on field estimates.

In light of the recent Alberta provincial election results and the impending royalty review, for the first quarter of 2015, 530 boe/d of the Corporation's production was from the province of Saskatchewan with the remaining 249 boe/d produced from Alberta. Of the 249 boe/d produced in Alberta in the first quarter of 2015, 140 boe/d or 18% of Hawk's total corporate production, was subject to Alberta crown royalties. Additionally, 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.

Annual General Meeting

Hawk's annual general meeting of shareholders will be held on Monday, June 8, 2015 at 3:00 pm at the offices of McCarthy Tetrault LLP, Suite 4000, 421-7th Avenue SW, Calgary, AB.

Hawk is an emerging exploration 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 symbol of HWK.A.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 forgoing, this press release 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 the remainder of 2015; the timing of and nature of the capital expenditure program for 2015; expected second quarter 2015 average production; the expected impact of the impending Alberta crown royalty review; and the expected sources of funding for the 2015 capital expenditure program.

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 (including, without limitation, the other factors discussed under "Risk Factors" in the Corporation's most recently filed Annual Information Form).

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*.