

**ALTERNATIVE MONTHLY REPORT UNDER  
PART 4 OF NATIONAL INSTRUMENT 62-103**

**Reporting Issuer:** Hawkstone Energy Corp. (the "Issuer")

**Report for the end of:** October 2011

*(a) Name and address of the eligible institutional investor:*

RAB Energy Fund Limited ("Energy")  
P.O. Box 309  
Ugland House, George Town  
Grand Cayman, KY1-1104  
Cayman Islands, British West Indies

*(b) Net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements:*

Since the last report filed by Energy under Part 4 for the Issuer, there is a net increase in Energy's holdings of 17,500,000 common shares ("**Shares**") and a net decrease of 17,500,000 subscription receipts ("**Subscription Receipts**") of the Issuer, resulting in a net decrease of 47.00% in Energy's securityholding percentage for that class of the Issuer's securities.

*(c) Designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made:*

Energy holds 17,500,000 Shares of the Issuer, representing approximately 7.53% of the issued and outstanding Shares of the Issuer.

*(d) Designation and number or principal amount of securities and the percentage of outstanding securities referred to in paragraph (c) (above) over which:*

*(i) the eligible institutional investor, either alone or together with any joint actors, has ownership and control:*

Energy and its joint actors, if any, have ownership of and control over 25,000,000 Shares, representing approximately 10.76% of the issued and outstanding Shares of the Issuer.

RAB Octane (Master) Fund Limited ("**Octane**"), who may be considered a joint actor with Energy, has ownership of 7,500,000 Shares, representing approximately 3.23% of the issued and outstanding Shares of the Issuer.

- (ii) *the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by other entities other than the eligible institutional investor or any joint actor:*

Not applicable.

- (iii) *the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:*

Not applicable.

- (e) *Purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:*

Energy and its joint actors, if any, acquired the Shares and disposed of the Subscription Receipts for investment purposes only and not with the purpose of influencing the control or direction of the Issuer. Energy may in the future, subject to market conditions, make additional investments in or dispositions of the Issuer's securities. However, Energy and its joint actors, if any, do not intend to acquire 20% or more of any class of the outstanding voting or equity securities of the Issuer.

- (f) *General nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the eligible institutional investor, or any joint actor, and the issuer of the securities or any other entity in connection with any transaction or occurrence resulting in the change in ownership or control giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:*

Not applicable.

- (g) *Names of any joint actors required in connection with this report:*

Energy may be considered to be a joint actor with Octane as a result of their common investment managers and their common directors.

However, the filing of this report is not an admission that Energy and Octane are joint actors.

- (h) *Description of any change in any material fact set out in a previous report by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities:*

Not applicable.

- (i) *Eligibility to file reports under Part 4 in respect of the reporting issuer:*

Energy is eligible to file reports under Part 4 - Alternative Monthly Reporting System of National Instrument 62-103.

DATED this 10<sup>th</sup> day of November 2011.

**RAB ENERGY FUND LIMITED**

**By:** (signed) "Jake Leavesley"                      **By:** (signed) "Simon Gwyther"  
**Name:** Jake Leavesley    **Name:** Simon Gwyther  
**Title:** Authorised signatories for RAB Capital Limited for and on behalf of  
RAB Energy Fund Limited