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May 22, 2012

TSX-V: HRH

Donner #2 produces gas sales

VANCOUVER, B.C. May 22, 2012 – Hillcrest Resources Ltd. (the “Company”) is pleased to announce the Nadsoilco Donner #2 well located in Newton County Texas, has commenced production of gas. The well was drilled in July of 2011 to a total depth of 7559 feet at which time wire logs were run. Interpretation of the wire logs indicated potential oil and gas pay in four separate zones. Two of the zones appear to extend productive intervals within the Donner #1 well located approximately 3500 feet to the east of Donner #2. The working interest partners chose to complete the well and produced an average of 16 barrels of oil per day until late January of 2012. In January of this year the decision was made to try and have the well commercially produce both oil and gas. The Company focused on a gas zone encountered at 7294 feet to 7310 feet which the company believes could produce upwards of 750,000 cubic feet of commercial gas per day.

Completion of the gas zone commenced in mid February of this year and has resulted in the well commencing commercial production this week. Initial flow rates on a severely restricted choke of 4/64th of an inch will start production at 250,000 to 300,000 cubic feet per day. Production rates will be monitored and should increase as the choke is opened. The Company believes the zone could produce up to 750,000 cubic feet a day, further adding to operations revenue.

"Hillcrest is pleased with the apparent success of the lower gas zone in Donner #2" Don Currie, the Company's CEO and Chairman stated. “Gas sales from the zone will add immediate revenue on a monthly basis. Once the gas production is stabilized the company will review our options of re-perforating one of the oil zones in the well with the goal of producing both oil and gas from the same well. The Company is also exploring the option of drilling a third well in Newton County. Reviewing the logs and information obtained through the drilling and completion of our first 2 wells, we believe the potential Donner #3 well could produce substantially more commercial hydrocarbons on a daily basis further adding to monthly revenues.

As previously released, Hillcrest Resources Ltd owns a 48% working interest in Donner #2 before payout and a 36% working interest after payout.

For more information on Hillcrest Resources Ltd, contact Donald Currie toll free at 1-866-609-0006 or visit the Company’s website at www.hillcrestresources.com

ON BEHALF OF THE BOARD OF DIRECTORS

Donald Currie
Chairman, Chief Executive Officer and Director

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Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects”, “intends”, “is expected”, “potential”, “suggests” or variations of such words or phrases, or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company’s control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

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