



# HILLCREST

R E S O U R C E S L T D .

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TSX-V: HRH

**VANCOUVER, B.C. November 7, 2012 – Hillcrest Resources Ltd.** (the “Company” or “Hillcrest”) (TSX.V : HRH) is pleased to announce the Company has requested preparation of an Authorization for Expenditure (“AFE”) and completion of regulatory approvals for the drilling of a third development well (“Donner #3”) within the Hartburg property of Newton County Texas.

Donner #3 is designed as a deviated well, with the surface location located on the previously constructed Donner #2 well pad. The well will be directionally drilled to a total measured depth of approximately 7600 feet to a subsurface location approximately 500 feet west of the surface location. The additional cost of the deviated well compared to a vertical well will likely be more than offset by eliminating the need for construction of a new well pad as well as reducing future costs for tie-in and production operations. The well is planned to encounter the primary Hackberry reservoir sand updip of the Donner #2 well. If successful, the well could produce up to 75 barrels of oil per day (“bopd”). There is also secondary potential in the Nonion Struma reservoir interval. Hillcrest has a 48% working interest before payout, and a 36% working interest after payout, of the Donner #3 drilling, completion and tie-in costs.

The Company currently has oil and gas production from 2 wells within the Hartburg project area. Donner #1 has produced oil for over two years at a steady average rate of 43 bopd from the Hackberry sand reservoir with minimal pressure depletion and no formation water production. Donner #2 currently produces natural gas at an average of 0.53 million cubic feet per day (“mmcfpd”) from the Nonion Struma reservoir and has been in production for five months. The Donner #2 well was converted from an oil producer in the Hackberry reservoir to a gas producer in the Nonion Struma reservoir to fulfill a lease requirement. The Donner #2 well may resume oil production from the Hackberry reservoir after depletion of the natural gas in the Nonion Struma reservoir, although with continued good production performance from this well the Company may consider options for converting the well to a dual zone producer, enabling concurrent production of both natural gas and oil out of the Donner #2 well-bore.

Don Currie, CEO and Chairman, states “The Hartburg project area is the primary producing asset for the Company. We are excited to move forward with plans to increase our production capacity from this field. A success with Donner #3, that is consistent with third party estimates, will have a significant impact on production and revenue.

The estimated drilling cost for Donner #3 and the expected spud date for the well will be the subject of a future announcement.”

**For more information on Hillcrest Resources Ltd, please contact Donald Currie toll free at 1-855-609-0006 or visit the Company's website at [www.hillcrestresources.com](http://www.hillcrestresources.com).**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Donald Currie  
Chairman, Chief Executive Officer and Director**

**Cautionary Statement Regarding "Forward-Looking" Information**

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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