

## FORM 51-102F3

### Material Change Report

**Item 1. Name and Address of Company**

Hillcrest Resources Ltd.  
303-750 West Pender Street  
Vancouver, B.C. V6C 2T7

Telephone: 604-609-0006

**Item 2. Date of Material Change**

News Release dated November 7, 2012

**Item 3. News Release**

News Release dated November 7, 2012 was filed on SEDAR on November 7, 2012 and disseminated via TheNewsWire on November 7, 2012.

**Item 4. Summary of Material Change**

Hillcrest plans 3<sup>rd</sup> Texas well.

**Item 5. Full Description of Material Change**

**Vancouver, BC – November 7, 2012. Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (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).

**Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Executive Officer**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report.

Donald Currie, Chairman, CEO  
Business Telephone No.: 604-609-0006

**Item 9. Date of Report**

DATED at Vancouver, British Columbia, this 7<sup>th</sup> day of November, 2012.

*(Signed) Donald Currie*

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Donald Currie  
Chairman and CEO