

**NEWS RELEASE**

**August 4, 2011**

**TSX-V: HRH**

**Donner #2 starts production**

**Vancouver, B.C. – August 4, 2011.** Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH) is pleased to announce the Nadsoilco Donner #2 well located in Newton County Texas, has commenced production of oil. The well was drilled 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 with oil production being the main focus. Donner #2 was tested over a 24 hour period in late July and produced oil at a rate of approximately 48 barrels of oil per day on a 5/64th inch choke. Surface facilities have now been installed in preparation for commercial production. The additional gas zone encountered at 7294 feet to 7310 feet will be produced at a later date either from this well bore or from an offset location.

"Hillcrest is pleased with the apparent success of Donner #2" Don Currie, the Company's CEO and Chairman stated. "Donner #1 has produced problem free at the same level for almost one year and our hopes are Donner #2 can do the same. The Company has asked the operators to look at availability of a rig to drill an offset well on either the Donner #1 or #2 locations as well as be ready to drill Donner #3 at the beginning of the October subject to rig availability. We decided to produce oil from Donner #2 and look at an offset well to produce the gas. Oil sales currently are producing higher revenues than gas sales, so the decision was made to produce the oil first. However, the availability of the gas and the estimated size of the zone has led us to move forward with drilling an offset to potentially produce from the gas zones. It is the Company's intention to drill 2 additional wells and hope to have them on production by the end of this calendar year"

As previously released, Hillcrest Resources Ltd owns a 48% revenue interest in Donner #2 before payout and a 27% net revenue 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](http://www.hillcrestresources.com)**

**On Behalf of the Board of Directors**

**Donald Currie**

**Chairman, Chief Executive Officer and Director**

**FORWARD LOOKING STATEMENT HERE**

**Cautionary Statement Regarding “Forward-Looking” Information**

Some of the statements contained in this press 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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