



Suite 1700 3050 Post Oak Blvd  
Houston, Texas 77056  
Tel: 713-626-9564  
Toll-free: 1-855-609-0006  
Fax: 713-626-0888

January 20, 2015

TSX-V: HRH  
US Symbol HLRTF

## **HILLCREST'S PRODUCTION INCREASES BY 450% AFTER ACQUISITION HEAD OFFICE RELOCATES TO HOUSTON**

**HOUSTON TEXAS** – Hillcrest Resources Ltd. (the "Company" or Hillcrest") (TSX.V: HRH US Symbol HLRTF) is pleased to update our shareholders on corporate developments and current activities.

### **Acquisition of Gulf of Mexico Production**

As previously announced, Hillcrest Resources closed the purchase of Gulfsands Petroleum USA ("GPUSA"), a US based subsidiary of an international Oil and Gas producer, on December 19<sup>th</sup>, 2014. The purchase of GPUSA had an immediate positive impact on daily oil and gas production, adding approximately 171 barrels of oil per day (bopd) and 420 thousand cubic feet of gas per day (mcfgpd) on a working interest basis. During November and December, lease operating expenses (LOE) on these shallow water Gulf of Mexico assets averaged less than \$25 per barrel.

In addition to existing production, low cost well recompletion and maintenance programs are ongoing in order to maintain production volumes, and up to four infill well locations have been identified, with the potential to increase working interest production by several hundred barrels of oil per day in the next 12 to 18 months. The Company will continue to work with the operators in order to progress and optimize development drilling programs and to realize additional operational cost savings.

This acquisition complements the Company's existing assets located onshore Texas, and lifts the Company's current production to approximately 205 bopd and 975 mcfgpd gas and further establishes the operational focus of the Company as within the US Gulf Coast and shallow water Gulf of Mexico.

### **Onshore Production - Newton County, Texas**

In Newton County Texas work-over and/or re-completion operations have been ongoing on three wells in an effort to increase or maintain production volumes. Following these operations, working interest production from all wells averaged 34 bopd and 555 mcfgpd per day.

On Donner #2, a recompletion was undertaken in this well as the previously producing natural gas zone commenced water production. The natural gas zone was abandoned, and a recompletion in a shallower reservoir interval commenced in late November and was finished prior to year end. Currently, the well is delivering working interest production of approximately

13 bopd and 80 mcfcpd. Hydrocarbon production and reservoir pressures will be monitored in the near term in order to establish optimal production parameters.

The Brown #1 well was also re-completed in late November-early December and since then has delivered natural gas at an average working interest rate of 475 mcfcpd and an associated 9 barrels of condensate per day (bcpd). The currently producing zone appears to be a very high quality reservoir; and hydrocarbon production and reservoir pressures will also be monitored in this well in order to establish optimal production parameters.

The Donner #4 well had primarily produced gas since it's completion in April of 2014 at a daily average of 500 MCF per day. In early December, sand entered the well bore causing the well to be temporarily shut in. Re-completion efforts are currently underway in the well and results will be announced when they occur.

### **Relocation of Head Office**

Subsequent to the purchase and effective immediately, the Company has moved the head office from Vancouver, British Columbia to Houston, Texas. This move will streamline administrative and corporate responsibilities. Subsequent to closing and to streamline corporate field developments and operations, Hillcrest Resources Ltd, named Jason (Jack) Oden as Chief Operating Officer of the parent company.

The new address for the Company is

Hillcrest Resources Ltd.  
3050 Post Oak Blvd, Suite 1700  
Houston, Texas 77056.

The direct telephone number is 1-713-626-9564, or toll-free at 1-855-609-0006.

“The acquisition of GSUSA and the relocation of our head office are major developments for Hillcrest” states Don Currie, the Company’s CEO and Chairman. “With the acquisition of GPUSA, the Company acquired both additional production with further upside from well recompletions and development drilling and the Houston based office and staff. Consolidating the office in Houston will streamline administrative operations, and the Houston location is near to our production facilities located onshore in Newton County, Texas and offshore Louisiana in the Gulf of Mexico. The acquisition substantially increased our daily working interest production of oil and gas by over 450% to approximately 205 bopd and 975 mcfcpd. The additional production was obtained at minimal upfront cost and provides accessible further production upside through ongoing well recompletion programs and development drilling. We will as before, continue to seek and evaluate further acquisitions for Hillcrest and will advise as developments occur.”

**For more information on Hillcrest Resources Ltd, 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**

**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.

*Neither TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*