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TSX-V: HRH
US Symbol: HLRTF

SHAREHOLDER UPDATE - NEW BOARD MEMBER

HOUSTON, TEXAS – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”) (TSX-V: HRH US Symbol: HLRTF) is pleased to offer the following update.

Production operations from the Company’s onshore Texas and shallow water Gulf of Mexico offshore oil and gas assets continue to be profitable and provide reliable revenue streams. Production from our shallow water assets located in the Gulf of Mexico remains steady at rates of approximately 190 barrels of oil per day and 200 thousand cubic feet of gas per day. The Company’s Hartburg asset in Texas continues steady production at 126 BOE per day. These profitable operations provide a substantial foundation for the Company while it pursues growth through field development in existing assets and acquisitions.

Oil sales from both Hillcrest assets receive Louisiana Light pricing, which trades at a premium over West Texas Intermediate (WTI). Hillcrest production costs, Company wide, are \$15 per BOE.

As previously announced, Hillcrest has directed the Company’s divestment advisors, Houston based PLS Inc., to continue discussions with other parties who have already indicated an interest or may have interest in purchasing the Hartburg assets. From the beginning of 2015, all net revenue from Hartburg has been dedicated to servicing the secured debt obtained to drill and complete the wells. As a result, approximately 25% of the outstanding principal has been repaid.

In addition to the potential sale of the Hartburg assets, the Company’s primary focus in 2015 continues to be on identifying, evaluating and capturing substantial, transformational acquisitions. Several opportunities have been evaluated and a number of bids have been submitted for various asset acquisitions. The Company will advise as developments occur.

Hillcrest intends to acquire assets with non-dilutive funding instruments and is actively engaged in discussions with a small number of US based Investment Banking groups to structure reserves based lending alternatives at reasonable commercial rates. This funding model is being considered for retiring the existing secured loan, substantial growth acquisitions and capital funding to increase production from our current producing assets. As reserve based loans are re-determined and potentially increased regularly, as production and reserves increase through recompletions in existing wells and by drilling new wells, the potential exists to structure non-dilutive funding to fund Company growth.

The Company also continues to strengthen its Board of Directors. In addition to the recently announced appointment of Michael (Mike) Krzus as Executive Chairman, we are now pleased to announce that Lewis Edward (Ed) Parker of Houston, Texas has agreed to rejoin the board as an

independent member, effective immediately. Mr. Parker was a founding director of Hillcrest Resources when the Company listed for trading on the TSX.V in 2011 and brings over 45 years of oil and gas industry experience in executive and director positions with companies including El Paso Corp., Burlington Northern and Burlington Resources, where he held executive positions in finance, mergers & acquisitions and strategy & planning.

Don Currie, Hillcrest CEO states “We are excited to welcome Ed Parker back on the Board and look forward to actively engaging his extensive knowledge and experience for the Company. Operationally, the Company continues to manage its operations and commitments in a very challenging market and commodity price environment. We continue to strengthen our internal team, meet our financial commitments and aggressively seek growth opportunities through acquisitions and development of current assets. With strong financial backing, we expect to be well placed competitively in acquisition negotiations, and are excited about the potential funding structures available to us. We thank the current shareholders of the Company for their support and patience in these challenging times.”

The Company will advise shareholders of additional material developments as they occur.

For more information on Hillcrest Petroleum Ltd, contact Donald Currie toll free at 1-855-609-0006 or visit the Company’s website at www.hillcrestpetroleum.com

On behalf of the Board of Directors

**Donald Currie
Chief Executive Officer and Director**

FORWARD LOOKING STATEMENTS

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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