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SASKATCHEWAN OPERATIONS UPDATE

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”) is pleased to update the Company’s production and well workover operations currently underway in Saskatchewan.

Daily oil production from the 16-13 well has increased from 22 barrels of oil per day (“bopd”) as announced on January 3, 2018 to an average reported value of 35 bopd over the last 7 days of production. Although the cold weather has had an impact on operations, the current production numbers are in line with expectations.

Operations on the 07-13 well are scheduled to re-commence on Thursday January 18, 2018. As previously announced, the wells currently in the approved workover program have been shut in for a brief period of time and the workovers consist primarily of the installation and optimization of down-hole and surface equipment for production operations. A further announcement will be provided once workover operations on the 07-13 well are completed and the well is turned over to production.

Pursuant to the agreement with Westcore Energy Ltd. (“Westcore”), Hillcrest earns a 50% working interest in the production from the wells by providing financial and technical support to the approved workover program.

The well workover program is a first step towards a contemplated larger acreage development and drilling program agreement under review between Westcore and its partners. Westcore owns and operates two large acreage positions in the Province of Saskatchewan, and is in discussions with Hillcrest focused on allowing the Company to participate in a development program. Hillcrest will advise our shareholders if and when formal agreements are signed and in place.

Additionally, the Company wishes to announce a non-brokered private placement of 750,000 units at \$0.07 per unit for gross proceeds of \$52,500. Each unit will consist of a common share of the Company and one half of a common share purchase warrant. Each whole share purchase warrant will be exercisable into a common share at a price of \$0.10 for a period of two years from the closing date. The Company will pay finder’s fees, if applicable, in connection with this private placement. The financing is subject to TSX Venture Exchange approval.

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

ON BEHALF OF THE BOARD

Donald Currie
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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