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HILLCREST OFFERS CLARIFICATION ON DIGITAL CURRENCY ENGAGEMENT AGREEMENT

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”) is pleased to offer a clarification to our news release of January 25th, 2018, in which the Company announced an engagement agreement with Entoro Capital, LLC (“Entoro”) headquartered in Houston, Texas to undertake a potential digital currency Initial Coin Offering (“ICO”).

The ICO being considered is intended to be an asset-backed energy security coin offering that will utilize the best of breed blockchain technologies for the Canadian energy market and potentially work towards making the Canadian energy sector more innovative.

Hillcrest engaged Entoro as the Company’s agent to provide investment banking, business development and consulting services for potential financing transactions using digital currencies to fund the Company’s business plan, which remains primarily focused on developing oil and gas production in Alberta and Saskatchewan, Canada. The Company believes that an ICO would offer a non-dilutive funding option in addition to other funding options currently available.

ICO and Token Considerations

The Company is not conducting an ICO at this time but may decide to do so in the future. Any ICO would be compliant with relevant securities regulation and require Exchange approvals. If the Company decides to proceed with an ICO, it will determine the terms of such offering, and if such offering may be deemed to be either a security under the *Securities Act* (British Columbia) or a derivative.

If the ICO is determined to be a security, it will require either a prospectus or an exemption from the prospectus requirement to issue Coins and/or Tokens and to effect trades. The Company may utilize the accredited investors exemption, the offering memorandum exemption or such other exemptions from the prospectus requirement detailed in National Instrument 45-106 - *Prospectus Exemptions*. There is no assurance that such exemptions will be granted. However, in certain instances the issuance of a Token may be determined to be a derivative if the underlying asset of the Coin is a commodity which is not an investment contract. Until the Company finalizes terms of its ICO, it will be unable to determine for certain if the Token is a security or a derivative.

A Token or Coin issued under an ICO would not give the acquirer equity, other interests or rights in the Company equivalent to a holder of common shares. For example, no rights would be granted to participate in the profits or the distribution of assets of the Company, nor any voting rights in any meeting of the security holders of the Company.

If the Company proceeds with an ICO, it is considered that Tokens and Coins would be issued to investors entitling them to the value attached to a specific amount of oil hydrocarbon produced from Company properties included in the ICO.

The Company only recently established oil production in Canada through its well reactivation program in Saskatchewan and is still in the development planning phase for its Saskatchewan and Alberta properties. An ICO linked to oil and gas production from Hillcrest's future oil and gas developments will therefore be a speculative investment, with no time frame defined for when commercial production from the Company's current and future oil and gas properties and projects will commence. Reserves reports from competent 3rd parties on the Company's oil and gas assets and potential future acquisitions are not yet available. The Company intends to commission and provide relevant reports for an ICO as appropriate.

If the Company proceeds with an ICO, then cash will be received for Token and Coin issuances. These will be recorded as liabilities in its financial statements, which will require the delivery of hydrocarbons if commercial production is achieved. Hillcrest shareholders should be aware that, depending on the terms of a Token or Coin issuance, Token or Coin holders will be entitled to receive value in hydrocarbons produced from Company properties included in the ICO, if and when commercial production is achieved. After redemptions of hydrocarbons are satisfied, remaining oil and gas production would be available for the Company to sell. The Company does not intend to create our own platform for the trading of any potential Tokens or Coins.

The Company and Entoro will work together to seek funding to back the proposal and to eventually develop the currency program. The Company intends to utilize the expertise of Entoro Capital LLC and their respective contacts in establishing a potential ICO.

In addition to the above, the Company recently announced a private placement offering of \$525,000 and will deploy any funds raised in the offering as outlined in previous press releases, i.e. for further development of its previously announced assets and acquisitions and for general working capital purposes. Further, the Company continues to pursue its stated goal to build value through the acquisition and development of oil and gas assets in Alberta and Saskatchewan.

“Hillcrest is excited to be working with Entoro Capital and jointly pursuing an ICO as an alternate form of financing which could result in additional value for the Company” states Hillcrest CEO Don Currie. “The investment community has been extremely supportive of alternate currencies and Hillcrest looks forward to participating in this new and rapidly evolving investment process. The Company intends to use Western Canadian reserves and production as the value basis for an ICO and will be better placed to attract a broader spectrum of investors. An ICO is considered to be a particularly effective funding alternative for Hillcrest as it may provide access to substantial capital funding to deliver value growth from our existing and new Western Canadian oil and gas projects, without exposing existing shareholders to potential dilution through conventional equity funding. Parallel to the Company working with Entoro, management will continue to focus on the well workover program and potential future drilling program announced with Westcore as well as commencing operations on Western Canadian assets, as previously announced. We will inform our shareholders as developments and material events occur.”

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

For more information on Entoro Capital, contact James C. Row, CFA at 1-713-823-2900 (email: ico@entoro.com) or visit the Entoro website at www.entoro.com.

To stay informed about Hillcrest Petroleum, please join our Investor Group on 8020 Connect <http://bit.ly/2xs3IeP> for all upcoming news releases, articles comments and questions.

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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