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HILLCREST SIGNS CONVERTIBLE LOAN TERM SHEET

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”), is pleased to announce the Company has signed a term sheet with a New York based firm for a CDN \$5,000,000 convertible loan. Hillcrest announced July 14th that The Company was evaluating a funding proposal which would allow it to potentially access up to \$5 million for West Hazel field development activities and the funding was conditional on Hillcrest purchasing the JV partners working interest in the asset. Hillcrest further announced July 30th they had an agreement in principal for the acquisition of the JV partner’s interests in exchange for three million (3,000,000) Hillcrest common shares, representing a CDN \$150,000 value at the time of the announcement. The agreement in principle met the conditions of the lender.

Details of the term sheet include:

- \$500,000 first draw
- 1st draw of \$500,000 to be paid within 14 months of closing.
- No payments for the first 4 months after closing
- Further draws are available upon 75% of the first draw being paid or earlier if both sides mutually agree in writing.
- Fees and associated costs will be detailed in the formal agreement
- Hillcrest has advised the lender that the first funding amount of \$500,000.00 will be used to drill a short lateral well on the West Hazel site

“Hillcrest’s West Hazel development plans have potentially taken a substantial step forward with this funding.” states Don Currie, Hillcrest CEO “The impending funding allows the Company to proceed with field development activities to increase production and revenues and maximize reserves recovery. We have previously stated estimates that the field production could be increased to more than 500 barrels per day and will initiate the development when the funding agreements are complete. The Company will update our shareholders as expansion plans of the field materialize.”

ABOUT THE COMPANY

Hillcrest is a Canadian oil and gas producer, which to complement its oil and gas production, is pursuing opportunities related to clean energy technology with potential to substantially reduce greenhouse gas emissions. Hillcrest holds multiple wells on two projects in the province of Saskatchewan, and intends to add a green energy asset to its energy production portfolio through its 50% ownership in ALSET Innovations Inc., a technology partnership with rights to exclusively license and market innovative efficient power generation and electric motor technologies in the USA and to exclusively market this technology in the EU.

ON BEHALF OF THE BOARD

Donald Currie
Chief Executive Officer and Director

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.

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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