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HILLCREST SHAREHOLDER UPDATE

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”), is pleased to provide the following update to our shareholders covering numerous company initiatives and financial results.

ALSET Innovation (ALSET)

Hillcrest received conditional approval from the TSX.V, for the previously announced ALSET licensing agreement, pursuant to which Hillcrest was granted a license over the ALSET technology by Oropass Ltd., during the last week of August and has met the conditions outlined in the conditional approval letter. Hillcrest expects final approval to follow in due course.

ALSET does not require a change of business application to the TSX.V and is not anticipated to require any application of this type once Hillcrest is trading on the CSE.

The Company is excited about the potential the disruptive energy efficiency technology offers across a wide range of the energy industry applications. Initial discussions are underway with the first of several parties whom have indicated interest in the technology with discussions focused on defining potential licensing, partnering or co-developing opportunities.

Potential technology partners showing interest include companies involved in manufacturing or refitting electric vehicles, manufacturing or operating wind turbines, manufacturing, sales and distribution of electric generators and installing electrical vehicle charging stations.

Each potential opportunity will be governed by its own unique evolution and timeline involving various progressive levels of discussion, agreements and implementation milestones. An early step in all cases will be for ALSET and the potential partner to understand and scope the key execution points and timeline to potential monetization. We intend to keep shareholders informed with regular updates on business development activities, agreements, understandings and other significant outcomes as they develop.

WEST HAZEL OIL FIELD

Production from the West Hazel heavy oil field stabilized at around 150 barrels per day from the beginning of August to September 7th. As is characteristic for heavy oil fields in this area, production rates took some time to stabilize after being shut in for a period during Q2, due to COVID related low oil prices. Current stable production rates are partly due to well work overs

and maintenance, funded through the recent equity placement. A development well, currently being planned, is expected to significantly increase oil production in Q4.

Hillcrest announced receiving a letter of intent for a CDN \$5,000,000 convertible loan term sheet where the funds provided are to be used to further expand the West Hazel assets, including the previously mentioned development well in Q4. The convertible loan note has a first draw of \$500,000 with further draws available once 75% of the original tranche is repaid or earlier if mutually agreed by the parties.

Canadian Securities Exchange

Hillcrest announced its intention to list on the CSE and to delist on the TSX.V on September 8th. The Company believes listing the Shares on the CSE will deliver additional value to the shareholders as a result of reduced filing fees, lower compliance and legal costs and other fees. Of particular importance, the Company will have increased flexibility to expand in multiple areas of the energy industry such as clean energy operations and technology. Listing Hillcrest shares on the CSE is subject to its delisting application being accepted by the TSX and acceptance of the Company's application to list by the CSE. No current submissions to the TSX.V or corporate initiatives are anticipated to be delayed or hinder the move to the CSE.

Corporate Financial Highlights

Numerous subsequent events, which significantly improved the Company's financial position, were highlighted in the recent 2nd quarter Financials and MD&A. The highlights include:

- On July 30, 2020, the Company issued 1,700,000 common shares in connection with the conversion of a \$85,000 portion of the remaining outstanding Convertible Debentures at \$0.05 per share. The convertible notes have been fully retired.
- On July 30, 2020, the Company acquired, subject to exchange approval, a 100% working interest in the West Hazel field from its joint venture partner for 3,000,000 shares of the Company.
- On August 4, 2020, the Company closed an oversubscribed private placement of 20,442,000 units at a price of \$0.05 per unit for gross proceeds of \$1,022,100. Each unit consists of one common share and one-half warrant of a share purchase warrant. Each whole warrant will be exercisable into an additional common share of the Company at \$0.07 for a period of two years.
- On August 4, 2020, the Company closed the early warrant exercise incentive program intended to encourage the early exercise of up to 22,894,446 outstanding common share purchase warrants of the Company. 17,479,668 eligible warrants were exercised resulting in gross proceeds of \$873,984
- On August 12, 2020 the Company executed the previously announced US Licensing Agreement with Oropass Ltd. The Company will contribute a minimum of Three Hundred Thousand (CDN \$300,000) and up to Five Hundred Thousand Dollars (CDN \$500,000) for the development of the technology, anticipated to be paid to an incorporated joint venture between the Company and Oropass Ltd. in ALSET Innovation

Inc. Hillcrest will own 50% of the subsidiary and will receive 50% of all net revenues of ALSET. Hillcrest will also recover expenses and be compensated for management services.

- From July 1, 2020 to August 31, 2020, a total of 2,450,000 stock options were exercised for gross proceeds of \$122,500.
- Retired over \$1,000,000 in hard loans. All previously defaulted loans have been retired – pending shares for the debt submission being approved by the exchange. The only loan remaining is a senior secured debenture of \$138,550 intended to be retired on or before December 31st, 2020.
- Currently negotiating a CDN \$5,000,000 convertible debt facility with a New York based investment group. Funds to be used for expansion of the West Hazel assets.

“Hillcrest was able to survive oil price volatilities and other challenges with the oil & gas sector by paring down costs, increasing oil production and securing interests in other forms of value and opportunity in the wider energy industry.” Don Currie, Hillcrest CEO states. “The company was able to leverage oil production revenues with new opportunities such as the disruptive energy efficiency technology ALSET is licensing and marketing. This provides Hillcrest with a diversified platform from which to potentially add substantial company growth value. In addition to corporate initiatives, we have been able to retire all previously defaulted loans and reduce outstanding payables to a combined value of over \$1,200,000. The Company is excited about the current path and will advise our shareholders as developments occur.”

ABOUT THE COMPANY

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