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## HILLCREST SHAREHOLDER UPDATE

**VANCOUVER, B.C. – Hillcrest Petroleum Ltd.** (the “**Company**” or “**Hillcrest**”) (TSX.V: HRH.V) (OTCQB: HLRTF) (FRA: 7HL.F) is pleased to provide the following shareholder update on the status of key Company initiatives.

Hillcrest is actively working to complement our current oil and gas business with clean energy technology opportunities, funded to date in large part from oil production revenues.

Identifying and progressing early-stage prospects at minimum cost, has provided Hillcrest with a portfolio of clean energy opportunities, from which high value projects can be selectively progressed as part of a plan to ultimately transition Hillcrest to a clean energy technology company. We believe this clearly differentiates Hillcrest as a leader within our peer group, transitioning from fossil fuels to clean energy.

Several themes in the Company’s current opportunity portfolio could provide compelling value propositions, e.g.:

- developing and owning clean technology intellectual property (IP), which could be applied to various applications;
- partnering with others to jointly develop clean energy technologies;
- licensing third party technology or IP which complements Hillcrest clean tech initiatives.

Potential value is expected to be maximized where Hillcrest owns and controls technology and IP. Guided by that, the Company plans to target opportunities to develop proprietary IP and to maintain flexibility to preferentially select and pursue specific prospects.

Specific updates on various initiatives currently being actively progressed are as follows.

### **ANIGO and Ari Berger**

On November 23<sup>rd</sup>, 2020, Hillcrest announced a Memorandum of Understanding with ANIGO Technologies Inc. (ANIGO) to negotiate and execute a definitive agreement whereby Hillcrest would acquire rights to certain electric machine control intellectual property (“ANIGO IP”).

Hillcrest is pleased with the progress of the definitive agreement negotiations to date and expects they will be concluded shortly. When definitive agreements are completed, Ari Berger, who is the inventor of the ANIGO IP and is already acting as Hillcrest’s Chief Technology Manager under a consulting agreement announced November 9, 2020, will work to develop new electric machine

control IP which would be owned by Hillcrest. This new IP could then potentially be deployed to specific applications, some of which are already identified in our opportunity portfolio.

Commercial applications for future new IP that might be developed and owned by Hillcrest, could potentially include a broad range of applications. Some examples of potential commercial applications include micro grid energy storage systems (ESS) for residential or business communities, electromagnetic electricity generation equipment (e.g. wind turbines, hydroelectric), electric motors and various transportation applications including electric vehicle power trains.

Mr. Berger is a graduate of the Technion - Israel Institute of Technology, with a master's degree in system control engineering, with embedded software development expertise. Mr. Berger won several awards, including one from Intel for his innovative solutions for the wafer industry.

Since joining Hillcrest, Mr. Berger has been directing Hillcrest's energy technology initiatives to identify, define and assess various potential future projects and technologies. His direct involvement with Hillcrest has already resulted in exploratory discussions with technology companies and potential project partners in Germany, China, Canada and the United States.

Upon joining Hillcrest Mr. Berger commented as follows:

"This is a time of technological innovation in my field," said Mr. Berger. "At this point in my career, it is exciting to be involved with a visionary company on a practical path to making a difference in the world while transitioning from carbon-based energy to clean energy projects. The innovative enabling technology and commercial opportunities for Hillcrest are limitless and of high value to many different industries."

### **Extreme Vehicle Battery Technologies Corp. (CSE: ACDC.CN)**

Hillcrest signed and announced a Letter of Intent with Extreme Vehicle Battery Technologies Corp. (ACDC) on November 18<sup>th</sup>, 2020, focused on forming a joint venture whereby each party contributes their respective clean energy IP, technology, specialized technical capability and management to develop and commercialize scalable, smart, renewable energy management systems to service the rapidly growing electric vehicle (EV) and energy storage system (ESS) markets.

Discussions are initially focusing on the EcoVille Project announced by ACDC on November 12<sup>th</sup>, 2020. Formal discussions are expected to accelerate once the above referenced ANIGO agreement is finalized.

Hillcrest's electric machine control system technology resulting from the ANIGO dealing described above would potentially form an integral part of an EcoVille renewable power system including ACDC's ESS technology.

### **ALSET Innovation Ltd.**

On August 12, 2020, Hillcrest announced its US Licensing Agreement with Oropass Ltd. (the "Licensing Agreement"), enabling development, licensing, and marketing of US patented, electricity generation and electric motor technologies.

Hillcrest's Licensing Agreement provides exclusive dealing rights for the licensed technology including all current and future technologies created by the owner of the IP and enables the Company to license, co-develop or implement joint ventures for the technologies through its wholly owned subsidiary, ALSET.

When the licensed technologies' performance claims are validated by a qualified independent third party to accepted engineering standards, the licensed technologies could potentially be applied to deliver step change efficiency gains for electric vehicles, wind turbines and other electricity generation applications.

An independent third party has been engaged by ALSET and direct discussions between the 3<sup>rd</sup> party and the IP owner are underway. Hillcrest will advise as developments occur.

### **Canadian Securities Exchange**

During Q3 2020, Hillcrest announced its intention to move its listing to the Canadian Securities Exchange (the "CSE"). The Company believes the CSE offers a number of advantages to rapidly develop and pursue our energy transition strategy.

Upon listing on the CSE, the Company intends to commence trading under a new name and symbol.

### **Balance Sheet and Financing**

Hillcrest ended 2020 in a much stronger financial position than the previous year. Consistent revenues from low-cost oil production operations allowed the Company to meet expenses and to explore opportunities to transition into clean energy technologies.

Debt and liabilities were reduced by more than \$1,800,000., as a result of a successful shares for debt offering, an incentive warrant exercise program and a private placement completed in August, further exercising of existing warrants and Hillcrest's recently announced oversubscribed private placement of \$1,267,000.

In addition, arrangements for a \$5,000,000 convertible debt facility are in final stages and are expected to be completed soon. At this time, this facility is expected to be used in connection with the Company's West Hazel property, which is discussed in further detail below.

The combined effect of these financial initiatives improved Hillcrest's financial position considerably.

### **West Hazel Oil Operations**

Since resuming production after a brief shut in period due to exceptionally low oil prices due to COVID, field production has averaged approximately 110 barrels of oil per day and has provided sufficient net cash flow to meet Company expenses.

Previously announced plans to purchase the remaining working interest from the joint venture partner did not come to fruition. However, as a result of field activities conducted under the

governing joint venture agreements, changes in individual well ownership have resulted in Hillcrest receiving a higher share of total field production from currently producing wells.

In addition, Hillcrest will receive 100% of production revenue from the new well planned to be drilled in Q1 2021, until 200% of well costs are recovered. A drilling pad has been prepared and production equipment has been acquired in anticipation of drilling. Efforts to secure a suitable rig to drill the well are underway.

Total costs for the new well are estimated at \$750,000, with approximately \$105,000 pre-invested to date.

At current oil prices, the estimated production forecast from the well could be expected to deliver approximately \$70,000 per month in additional net cash flow to Hillcrest.

## Summary

“2020 was a pivotal year for Hillcrest.”, Don Currie, Hillcrest CEO states. “The energy sector is rapidly changing, and we take great pride in positioning the Company as a leader addressing the global climate crisis. We are taking the initial steps to transition our business into clean energy technologies, substantially funding this transition from responsible depletion of our remaining oil reserves. While revenues from oil production have sustained the Company to date, our potential clean energy future appears to have almost limitless potential. Hillcrest’s Board and Management are committed to creating exceptional value for shareholders as an energy company for the future. We sincerely appreciate the ongoing support and confidence shown by our shareholders and will continue to work determinedly to earn more of the same in the future.”

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](http://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

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