

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hillcrest Energy Technologies Ltd. (formerly Hillcrest Petroleum Ltd.)
Suite 1910 – 1030 W. Georgia Street
Vancouver, BC V6E 2Y3

Item 2 Date of Material Change

April 14, 2021

Item 3 News Release

A news release dated April 14, 2021 was disseminated and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced a five year has signed a five-year Technology Collaboration Agreement with Systematec GmbH, a German specialist engineering innovator

Item 5 Full Description of Material Change

Hillcrest's obligations under the five-year agreement with Systematec include approximately 660,000 € per year, for specialized engineering and development expertise along with introductions to a vast European network. To incentivize Systematec and align interests, Hillcrest will issue to Systematec 2,750,000 common shares upon signing and 2,000,000 performance based warrants priced at \$0.24 per share which will vest when Hillcrest's value from joint development commercialization revenues exceeds funds contributed to the Systematec.

See attached Schedule "A" for further details

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Donald Currie, Chief Executive Officer
Tel: 604-609-0006

Item 9 Date of Report

April 15, 2021



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CSE: HEAT
OTCQB: HLRTF
FRA: 7HIA.F

Hillcrest Signs Five-Year Tech Collaboration Agreement with German Engineering Leader Systematec

Joint Planning Underway with Automotive/EV Industry Solutions Partner to Develop New Tech and IP with Hillcrest Control System Software

VANCOUVER, B.C., April 14, 2021 – [Hillcrest Energy Technologies Ltd.](#) (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIA.F) (“Hillcrest” or the “Company”) has signed a five-year Technology Collaboration Agreement with [Systematec GmbH](#), a German specialist engineering innovator and component designer to Airbus, Audi, BMW, Continental, Volvo Truck Corporation, and other [hybrid automobile/EV and electrical equipment manufacturers](#). Technical teams on both continents will jointly manage engineering activities to leverage Hillcrest’s electric machine control software and develop high-value power electronics and electromechanical IP and technology for commercialization. All products and IP developed through this collaboration will be owned by Hillcrest.

The companies will each contribute technologies, IP and global business networks to source, develop and deliver business opportunities. Hillcrest will have dedicated access to Systematec’s electronics and mechanical engineering design and prototype manufacturing services. Additionally, Hillcrest is in the process of acquiring additional internal expertise and securing facilities that will be dedicated to technology development activities.

“Both parties expect this partnership to be an enduring collaboration running beyond the term of the current agreement.” said Hillcrest Energy Technologies CEO, Don Currie. “Through Systematec’s deep knowledge of the German automotive/EV and electrical equipment industries, Hillcrest gains real time access to emerging power electronics design technologies and related value opportunities, allowing us to effectively anticipate new control system requirements with a first mover advantage. Systematec has extensive industry networks developed over decades that complement our growing tech portfolio. Together we plan to introduce industry-leading control systems with new levels of functionality and unprecedented performance.”

Technical planning, focused on sophisticated control systems with next-level energy conversion systems, is already underway. Potential opportunities of focus include electrical inverters for high performance electric drive systems, DC/DC converters to enable widespread application of fuel cells in trucks and heavy machinery, and other emerging requirements that serve growing global market needs.

“Teaming up with Hillcrest opens access to innovation paths and commercialization opportunities not previously available to our company,” said Harald Hengstenberger, Systematec CEO. “Working with Hillcrest to combine their proven, control software technology with Systematec’s demonstrated expertise in power electronics and electromechanical component design, unlocks potential to innovate, design and produce new, high value products for EV and

other industry customers. We are excited to be working with Hillcrest's team and are eager to deliver potentially disruptive technology to market.”

“Systematec is a highly-respected engineering group run by talented industry peers with decades of experience designing, developing and commercializing specialized industrial, automotive and e-mobility applications,” said Ari Berger, Hillcrest CTO. “Global e-mobility and electrification are areas of intensely competitive activity worldwide and both companies understand it's a high stakes business. Partnering with an established automotive industry insider like Systematec is key to securing our competitive advantage. This partnership ensures seamless integration between control software and electronic and electro-mechanical components which is essential to the leading-edge functionality we plan to deliver.”

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About Hillcrest Energy Technologies

Hillcrest is a clean tech innovation and development company on the rise. Working to decarbonize and electrify the energy sector, the Company intends to lead by example as it transitions from the production of fossil fuels from its West Hazel asset in Saskatchewan, to clean energy technologies that help unlock efficiencies in electrification and maximize performance of electric systems including electric vehicles, motors and electric generators. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power the future. Hillcrest is publicly traded on the CSE under the symbol “HEAT”, on the OTCQB Venture Market as “HLRTF” and the Frankfurt Stock Exchange as “7HIA.F”.

About Systematec GmbH

Systematec is a privately-owned engineering company for development, production, integration and testing of power electronics and electromechanical components for hybrid and electric vehicles. The Systematec team has over 25 years of experience in powertrain component engineering for hybrid and electric vehicles - from discovery and definition phase, through design and manufacturing, to integration, testing and validation. The Company is ISO 9001:2015 certified; additional information can be found on their website at www.systematec.de.

ON BEHALF OF THE BOARD

Donald Currie
Chief Executive Officer and Director

CONTACT INFORMATION

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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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