

**Hillcrest Energy Technologies Ltd.  
(formerly Hillcrest Petroleum Ltd.)**

**FORM 51-101F1  
For the Year Ended December 31, 2020**

***STATEMENT OF RESERVES DATA  
AND OTHER OIL AND GAS INFORMATION***

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**TABLE OF CONTENTS**

**PART 1 DATE OF STATEMENT**

Item 1.1 Relevant Dates

**PART 2 DISCLOSURE OF *RESERVES DATA***

Item 2.1 Reserves Data (Forecast Prices and Costs)

Item 2.2 Supplementary Disclosure (Constant Prices and Costs)

Item 2.3 Reserves Disclosure Varies with Accounting

Item 2.4 Future Net Revenue Disclosure Varies with Accounting

**PART 3 PRICING ASSUMPTIONS**

Item 3.1 Constant Prices Used in Supplemental Estimates

Item 3.2 Forecast Prices Used in Estimates

**PART 4 RECONCILIATIONS OF CHANGES IN *RESERVES***

Item 4.1 Reserves Reconciliation

**PART 5 ADDITIONAL INFORMATION RELATING TO *RESERVES DATA***

Item 5.1 Undeveloped Reserves

Item 5.2 Significant Factors or Uncertainties

Item 5.3 Future Development Costs

**PART 6 OTHER *OIL AND GAS* INFORMATION**

Item 6.1 Oil and Gas Properties and Wells

Item 6.2 Properties with no Attributed Reserves

Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Item 6.3 Forward Contracts

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

Item 6.5 Tax Horizon

Item 6.6 Costs Incurred

Item 6.7 Exploration and Development Activities

Item 6.8 Production Estimates

Item 6.9 Production History

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**FORM 51-101F1**  
**STATEMENT OF RESERVES DATA**  
**AND OTHER OIL AND GAS INFORMATION**

**PART 1      DATE OF STATEMENT**

The effective date of the information being provided in this statement is as at December 31, 2020, and for the year ended December 31, 2020. The preparation date of the information being provided in this statement is April 28, 2022.

For a glossary of terminology and definitions relating to the information included within this statement (including the aforementioned dates) readers are referred to National Instrument 51-101 (“NI 51-101”).

All dollar figures are Canadian Dollars, unless otherwise specified.

**PART 2      DISCLOSURE OF RESERVES DATA**

The following is a summary of the oil and natural gas reserves and net present values of future net revenue of Hillcrest Energy Technologies Ltd. and its subsidiaries (the “Company”) as evaluated by Trimble Engineering Associates Ltd, (“TEAL”), an independent qualified reserves evaluator appointed by the Company pursuant to NI 51-101.

Readers should note that the totals in the following tables may not add due to rounding.

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Company’s reserves. There is no assurance that the forecast price and cost assumptions contained in the TEAL report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the TEAL report. The recovery and reserves estimates attributed to the Company’s properties described herein are estimates only. The actual reserves attributed to the Company’s properties may be greater or less than those calculated.

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**Item 2.1 Reserves Data (Forecast Prices and Costs)**

1. Breakdown of Reserves (Forecast Case) - The following summarizes the aggregate gross and net reserves of the Company, which are all contained in the West Hazel field located in Saskatchewan:

<b>Hillcrest Energy Technologies Ltd.</b> <b>Summary of Oil and Gas Reserves</b> <b>As of December 31, 2020</b> <b>Forecast Prices and Costs</b>								
<b>Reserves</b>								
	Light and Medium Oil		Heavy Oil		Natural Gas (Non-associated and Associated)		Natural Gas Liquids	
Reserve Category	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)
Proved Developed Producing P(DP)	-	-	28.6	21.3	-	-	-	-
Proved Developed Non-Producing P(DNP)	-	-	31.2	22.6	-	-	-	-
Proved Developed P(D)	-	-	59.8	43.9	-	-	-	-
Proved Undeveloped P(UD)	-	-	213.6	182.9	-	-	-	-
Proved P	-	-	273.4	226.8	-	-	-	-

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

2. Net Present Value of Future Net Revenue (Forecast Case) – The following summarizes the future net revenue attributable to the Company’s proved reserves disclosed in section 1, estimated using forecast prices and costs before deducting future income tax expenses, if any, calculated without discount and using discounts as presented:

<b>Hillcrest Energy Technologies Ltd.</b>					
<b>Summary of Net Present Values of Future Net Revenue</b>					
<b>As of December 31, 2020</b>					
<b>Forecast Prices and Costs - \$CAD Dollars</b>					
Net Present Values of Future Net Revenue					
Reserve Category	Before Income Taxes Discounted at (%/Year)				
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)
Proved (DP)	(579.6)	(537.8)	(500.5)	(467.1)	(436.9)
Proved (DNP)	623.1	559.0	504.3	457.2	416.5
Proved (UD)	1,522.8	1,308.8	1,118.3	948.7	797.4
Total Proved	1,566.3	1,330.0	1,122.1	938.8	777.0
Total Probable	2,013.8	1,775.4	1,573.7	1,402.2	1,255.7
Total Proved and Probable	3,580.1	3,105.4	2,695.8	2,341.0	2,032.7

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

3. Additional Information Concerning Undiscounted Future Net Revenue (Forecast Case) – The following summarizes by reserve category (Proved, Probable or Possible) the elements using forecast pricing and costs of the undiscounted future net revenue and the per unit value of future net revenue before income tax:

<b>Hillcrest Energy Technologies Ltd.</b> <b>Total Future Net Revenue</b> <b>(Undiscounted)</b> <b>As of December 31, 2020</b> <b>Forecast Prices and Costs - \$CAD Dollars</b>								
Reserve Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	ARO Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After TOTI (M\$)
Proved (DP)	1,208.4	307.1	863.8	-	617.1	(579.6)	-	(579.6)
Proved (DNP)	1,496.4	414.1	274.4	121.2	63.7	623.1	-	623.1
Proved (UD)	9,946.8	1,437.2	2,635.9	4,115.0	235.9	1,522.8	731.9	790.9
<b>Total Proved</b>	<b>12,651.6</b>	<b>2,158.4</b>	<b>3,774.1</b>	<b>4,236.2</b>	<b>916.7</b>	<b>1,566.3</b>	<b>731.9</b>	<b>834.4</b>
Total Probable	3,928.4	838.6	1,058.9	-	17.1	2,013.8	467.1	1,546.7
<b>Total Proved and Probable</b>	<b>16,580.0</b>	<b>2,997.0</b>	<b>4,833.0</b>	<b>4,236.2</b>	<b>933.8</b>	<b>3,580.1</b>	<b>1,199.0</b>	<b>2,381.1</b>

**Item 2.2 Supplementary Disclosure (Constant Prices and Costs)**

Not applicable

**Item 2.3 Reserves Disclosure Varies with Accounting**

Not applicable

**Item 2.4 Future Net Revenue Disclosure Varies with Accounting**

Not applicable

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**Part 3        PRICING ASSUMPTIONS**

**Item 3.1        Constant Prices Used in Supplemental Estimates**

Not applicable

**Item 3.2        Forecast Prices Used In Estimates**

1. The following summarizes the pricing assumptions by product used in estimating reserves data disclosed in Item 2.1:

<b>Hillcrest Energy Technologies Ltd.</b> <b>Summary of Pricing and</b> <b>Inflation Rate Assumptions</b> <b>As of December 31, 2020</b> <b>Forecast Prices and Costs</b>				
Year	WTI Cushing Oil Price US\$/BBL	WCS CDN\$/BBL	Inflation Rate %/Yr	Exchange Rate US\$/Cdn\$
2021	48.00	46.00	2.00	0.76
2022	52.00	50.00	2.00	0.76
2023	56.00	54.00	2.00	0.76
Thereafter	Esc 2.0%	Esc 2.0%	2.00	0.76

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**PART 4 RECONCILIATION OF CHANGES IN RESERVES**

**Item 4.1 Reserves Reconciliation**

<b>Hillcrest Energy Technologies Ltd.</b> <b>Reserves Reconciliation Summary</b> <b>As of December 31, 2020</b>				
	Proved (DP) Heavy Oil	Total Proved Heavy Oil	Total Probable Heavy Oil	Total Proved and Probable Heavy Oil
Opening Balance	16.6	220.3	62.1	282.4
Production	-26.3	-26.3	0	-26.3
Technical Revision	37.5	39.3	3.1	42.4
Drilling Extensions	0.0	38.5	12.0	50.5
Economic Factors	0.7	1.6	1.5	3.1
Closing Balance	28.6	273.4	78.7	352.2

**PART 5. ADDITIONAL INFORMATION RELATING TO RESERVES DATA**

**Item 5.1 Undeveloped Reserves**

Undeveloped reserves are attributed for a 5 development wells, with 4 wells assumed to be drilled in 2021 and 1 assumed to be drilled in 2022.

**Item 5.2 Significant Factors or Uncertainties Affecting *Reserves Data***

See notes to the Company's financial statements for the year ended December 31, 2020, for a discussion of some of the important economic factors and significant uncertainties likely to affect the components of oil and gas information and the reserves data disclosed herein. In addition, such components may be affected by material fluctuations in commodity prices, material changes in current taxation or royalty rates and/or federal regulations governing the conduct of oil and gas activities.



**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**Item 5.3 Future Development Costs**

Development costs associated with Proved and Proved + Probable reserves are:

2021	\$3,410,000
2022	\$ 826,200

Development costs are expected to be funded through either equity or debt funding, likely supported by cash flow from production.

**PART 6. OTHER OIL AND GAS INFORMATION**

**Item 6.1 Oil and Gas Properties and Wells**

The Company currently has five (5) developed wells and five (5) locations in West Hazel, Saskatchewan

**Item 6.2 Properties with no Attributed Reserves**

Not applicable

**Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves**

Not applicable

**Item 6.3 Forward Contracts**

Not applicable

**Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs**

The Company's abandonment and reclamation costs are ascertained by estimating the costs using current techniques to fulfill the current obligations in regard to wells that are under appraisal or pending development. The Company routinely estimates and provides for asset retirement obligations with respect to all property interests, including oil and natural gas properties, in its consolidated financial statements in accordance with Canadian generally accepted accounting principles (See Notes to Consolidated financial statements for the year ended December 31, 2020).

At December 31, 2020, the Company reported its liability for asset retirement obligations as \$388,190 (undiscounted liability of \$365,658). The costs were estimated based on an abandonment price per foot of well depth in the area of production less salvage value. The oil and gas properties had estimated abandonment dates between 2024 and 2028.

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**Item 6.5 Tax Horizon**

Based on current reserves, the Company currently does not estimate that income taxes are likely to become payable before 2021, subject to current assumptions of production levels, operating and capital expense deductions, commodity prices and currently available operating loss carry forwards. There are no income taxes associated with the estimated future net cash flows estimated from current proved reserves based on the Company's basis in its assets and net operating loss carry forwards available to offset taxable income within its consolidated group.

**Item 6.6 Costs Incurred**

In the year ending December 31, 2020, the Company made the following expenditures (whether capitalized or charged to expense):

<i>In Thousand Canadian dollars</i>	Canada
	2020
	(\$)
Property acquisition costs – proved properties	-
Development costs – proved properties	1,157.5
Property acquisition costs – proved properties	-
Pipeline engineering and design costs	-
Exploration costs	-
	1,157.5

**Item 6.7 Exploration and Development Activities**

No exploration or development activity was undertaken in 2020.

Development costs above are associated with re-activating production from the previously shut-in field.

**Item 6.8 Production Estimates**

The gross volume of production estimated for the year ended December 31, 2021 included in future net revenue calculations for gross proved reserves and gross probable reserves estimated under Item 2.1 is 63,874 bbl.

**Hillcrest Energy Technologies Ltd.**  
**(formerly Hillcrest Petroleum Ltd.)**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**For the Year Ended December 31, 2020**

**Item 6.9      Production History**

The West Hazel field was shut in prior to 2019.

Quarterly oil production (bbl) during 2019 was:

Q1	3,731
Q2	5,467
Q3	11,343
Q4	11,130
<hr/>	
Total	31,671

Quarterly oil production (bbl) during 2020 was:

Q1	10,062
Q2	4,893
Q3	8,601
Q4	10,958
<hr/>	
Total	34,514

Average unit per bbl value metrics (\$CDN/bbl) for 2019 were:

Price received	\$53.80
Royalties	\$13.75
Production Costs	\$36.67
Netback	\$3.38

Average unit per bbl value metrics (\$CDN/bbl) for 2020 were:

Price received	\$32.54
Royalties	\$7.19
Production Costs	\$25.57
Netback	\$(0.22)