



HILLCREST
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CSE: HEAT
OTCQB: HLRTF

Hillcrest Closes Book on Previously Announced Non-Brokered Private Placement

[Corrected]

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VANCOUVER, BC, December 29, 2022 – Hillcrest Energy Technologies Ltd. (CSE: HEAT) (OTCQB: HLRTF) (the “Company” or “Hillcrest”), a clean technology company developing transformative power conversion technologies and control system solutions for next-generation electrical systems, is pleased to announce the closing of the book for its previously announced non-brokered private placement of units of the Company (“Offering”) and provides other financial updates.

The original terms of the Offering consisted of up to 20,000,000 units of the Company at a price of CDN \$0.12 per unit (“Units”). Each Unit contains 1.2 common shares in the capital of the Company (the “Shares”). The Company previously announced, on October 26, 2022, the closing of the first tranche of the Offering as a result of receipt of firm commitments by subscribers – the Company corrects the disclosure to indicate that the book was closed on the first tranche, but securities are being distributed upon final closing, which is anticipated to occur on or about January 6, 2023. The Company has now received all commitments it is expecting to close on in connection with the Offering.

Gross proceeds of the Offering are expected to total \$1,518,000 pursuant to which the Company anticipates distributing 12,650,000 Units at a price of CDN \$0.12, resulting in the expected issuance of 14,700,000 Shares.

All securities issued in connection with the Offering will be subject to a four-month and one day hold period from the closing date, in accordance with applicable securities laws.

Other Financial Updates

On October 26, 2022, the Company announced the closing of a temporary warrant exercise program (“Program”), details of which were announced on October 11, 2022. This closing announcement was based on expected commitments being \$450,000. As of October 26, 2022, the Company had received proceeds from Program totaling \$360,000 as a result of 3,000,000 common share purchase warrants (“Warrants”) being exercised for units consisting of 1.2 Shares, at a price of CDN \$0.12 per unit. The remaining \$90,000 of committed warrant exercises were not delivered to the Company, and as such the Company closed on a total of \$360,000.

Hillcrest also announces the extension of 11,781,500 Warrants exercisable for 11,781,500 Shares at an exercise price of CDN \$0.25 to January 5, 2024. The Warrants would originally have expired on January 5, 2023.

The Company has granted incentive stock options (the “Options”) to a consultant of the Company to purchase up to 150,000 Shares, pursuant to the Company’s Share Option Plan dated July 29, 2021. The Options are exercisable on or before November 30, 2027, at an exercise price of CDN\$0.15 per Share provided that the consultant achieves all performance milestones outlined in an independent contractor agreement on or before February 3, 2023.

Hillcrest has granted restricted stock units (“RSUs”) to a consultant of the Company for up to 500,000 shares, at a grant price of CDN \$0.15 per Share, pursuant to the Company’s RSU Plan dated July 28, 2021. 250,000 of the RSU’s vest on November 30, 2022; with the remaining 250,000 RSU’s vesting on February 28, 2023.

The securities of the Company referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, the securities of the company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Hillcrest Energy Technologies

Hillcrest Energy Technologies is a clean technology company developing high-value, high-performance power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power a more sustainable and electrified future. Hillcrest is publicly traded on the CSE under the symbol “HEAT,” on the OTCQB Venture Market as “HLRTF”. For more information, please visit: <https://hillcrestenergy.tech/>.

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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 information in this news release includes the anticipated closing of the Offering, on the date provided or otherwise, and future vesting of the RSUs and Options. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Investors are advised to consider the risk factors under the heading "Risks and Uncertainties" in the Company's MD&A for the year ended Dec. 31, 2021, available at www.sedar.com for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information. 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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