

Hillcrest Engages with Powertech Labs for Grid Inverter Testing and Provides Additional Shareholder Updates

Vancouver, British Columbia--(Newsfile Corp. - April 10, 2024) - Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FSE: 7HI), an innovative clean technology company revolutionizing power conversion technologies, is pleased to announce that the Company has entered into a collaboration agreement with Powertech Labs Inc. ("Powertech Labs"). Powertech Labs is a 100%-owned subsidiary of BC Hydro, is based in Surrey, British Columbia, and has more than 200 employees.

Under this agreement, Powertech Labs will provide testing and consulting services to assist Hillcrest in the development and validation of its ZVS inverter technology for grid-connected applications.

James Bolen, Hillcrest Chief Commercialization Officer, emphasized the significance of this agreement: "Our alliance with Powertech Labs signifies a momentous leap forward in bringing our grid inverter technologies to market. Leveraging their cutting-edge test facilities, seasoned experts, and strong industry relationships, we are poised to accelerate the commercialization and certification of our groundbreaking ZVS technology for the rapidly expanding grid-connected market."

Reflecting on the agreement, Powertech Labs President and CEO, Pierre Poulain stated, "We look forward to collaborating with Hillcrest Energy Technologies on their pioneering inverter technology. At Powertech Labs, our mission is to champion innovative solutions that propel electrification and clean energy forward for decarbonizing BC's industrial, commercial, and residential sectors. With our expertise and state-of-the-art facilities, we stand prepared to support Hillcrest in the development of their revolutionary grid solutions."

This partnership underscores Hillcrest Energy Technologies' steadfast commitment to driving sustainable advancements in power conversion technology and marks a significant milestone in its journey towards commercializing innovative grid inverter solutions.

Hillcrest's ZVS technology is set to establish a new industry benchmark for grid-connected power inverters, offering unparalleled inverter efficiency, enhancing performance and reliability. By improving power quality and minimizing harmonics, the Company's ZVS technology is expected to reduce current distortion injected into the grid, requiring less effort from operators and lower system cost. This enhancement improves the energy output predictability and stability, providing a strategic advantage in system design and operation.

Hillcrest Closes Second Drawdown of Previously Announced Equity Drawdown Facility

Hillcrest is also pleased to announce the closing of the most recent drawdown of the previously announced \$5 million equity drawdown facility (the "**Equity Facility**").

The Company has provided the third-party investor (the "**Investor**") with a drawdown notice and on March 21, 2024, the Investor funded the Company with a drawdown amount of \$203,745 (the "**Drawdown**"). Pursuant to the terms of the Equity Facility, in connection with the Drawdown the Company issued the Investor 1,072,342 units of the Company ("**Units**") at a deemed price of \$0.19 per Unit. Each Unit is comprised of one common share in the capital of the Company (a "**Share**") and one-half of one Share purchase warrant (each whole Warrant, a "**Warrant**"), each of which is excisable to acquire one additional Share at a price of \$0.25 for a period of three years from the date of distribution. The Company also issued the Investor 128,681 Shares at a deemed price of \$0.19 per Share in satisfaction of the drawdown fee payable in connection with the Second Drawdown.

The Company intends to use the proceeds from the Equity Facility, including the Second Drawdown, for

technology and product development, commercialization, and general working capital.

To date and in connection with past drawdowns, the Company has received a total of \$769,238 in proceeds from the Equity Facility and issued 4,801,023 Shares and 1,824,756 Share purchase warrants ("**Warrants**"). Of the 1,824,756 Warrants, all of which are exercisable for a period of three years from the date of issuance, 741,541 Warrants are exercisable at a price of \$0.31, 547,044 are exercisable at a price of \$0.30, and 536,171 are exercisable at a price of \$0.25.

All securities issued pursuant to the Equity Facility, including the Second Drawdown, will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

Other Updates

Hillcrest is pleased to provide an update on investor marketing services provided by Market One, originally announced on May 31, 2023. On September 13, 2023, Hillcrest extended its service agreement with Market One for an additional nine months, with the term now expiring on September 16, 2024, with compensation totaling \$200,000. During the term of the extended agreement, Market One continues to provide a variety of services including the production of interviews, articles and other digital marketing content for distribution on popular investor platforms such as BNN Bloomberg and Benzinga. Farhan Lalani (farhan@marketone.ca, 604-808-4697), who has no prior relationship with Hillcrest, leads the investor marketing services for the Company.

The Market One team brings more than 60 collective years of capital markets experience to public company marketing. Market One is located at 440 West Hastings Street, Suite 320, Vancouver BC V6B 1L1. To learn more about Market One, visit: <https://www.marketone.ca/>.

The Company has granted restricted stock units ("RSUs") to consultants of the Company for up to 425,000 common shares of the Company. 125,000 of the RSU's have a grant price of \$0.27 and vest immediately. 300,000 of the RSUs have a grant price of \$0.25, with 150,000 of the RSUs vesting on August 30, 2024, and the remaining 150,000 of the RSUs vesting on February 28, 2025. All the granted RSUs have a three-year term.

About Powertech Labs Inc.

Powertech Labs Inc., situated in British Columbia, Canada is one of the largest testing and engineering service providers in North America. It offers services and solutions for testing, asset management, engineering studies, system modelling and analysis, supporting industry and communities towards a cleaner future. The 11-acre facility with 15 testing labs, provides a cohesive approach to electrical, mechanical, materials, chemistry, civil, and non-destructive testing, and expertise.

Powertech is a global leader in hydrogen technologies for advanced transportation, supporting high pressure testing, hydrogen fueling, dispensing and storage systems. For more information, please visit: <https://powertechlabs.com>.

About Hillcrest Energy Technologies Ltd.

Hillcrest Energy Technologies is a clean technology company focused on providing advanced 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" and on the Frankfurt Exchange as "7HI". 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. 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, 2022, 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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