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## SASKATCHEWAN JOINT VENTURE PROJECT UPDATE

**VANCOUVER, B.C. – Hillcrest Petroleum Ltd.** (the “Company” or “Hillcrest”) is pleased to announce that the Company has submitted the license documents to the Provincial Regulator that are required in order to commence the re-development of the West Hazel oil pool (“the Field”), located in Western Saskatchewan. Regulatory approval is expected before the end of April after which the Company will undertake field operations with the objective of restoring oil production from the Field to approximately 300 barrels of oil per day (“bopd”).

Further to previous announcements regarding Western Canada oil assets, the Company has executed an agreement where it, via a wholly owned subsidiary and as operator of record for the field, will earn up to a 75% Working Interest. Production restoration operations are expected to commence during the second quarter of this year. Hillcrest commissioned and received a 3<sup>rd</sup> party technical report that identifies additional development opportunities within the Field. Both behind-pipe re-completions as well as in-fill drilling potential have been identified, and Hillcrest is planning to pursue production increases from within the Field during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2018.

The primary terms of the agreement regarding the restoration of production of the Field are as follows:

- The Company, as operator, will earn up to 75% Working Interest in the Field by contributing technical expertise and funding to restore production. Hillcrest’s Working Interest will revert to 50% once the Company has recovered all production restoration costs from the production revenues.
- Hillcrest has arranged third party project funding which has been provided on a non-dilutive basis to Hillcrest shareholders. Project funding will be secured by the Assets and by the Company.
- Additional infield development opportunities, such as well re-completions or development drilling locations, are expected to be financed through cash flow from the assets.

“Hillcrest is very pleased that production restoration operations at the West Hazel field in Saskatchewan are imminent.” Don Currie, Hillcrest Petroleum CEO, states: “The project will provide near-term cash flow which may increase if and when we undertake further development operations. The Field was producing over 300 bopd when the former operators suspended production due to cyclically low oil prices. Hillcrest is confident production can be restored to previous levels after which further development will be considered. The Company has a majority working interest in the Field which was obtained at a very attractive cost level. Current commodity prices along with reduced operating expenses are expected to enhance the profitability of the Field. In addition to West Hazel, Hillcrest continues to review and pursue other Western Canada based opportunities and will inform our shareholders as material acquisitions or partnerships occur.,

**For more information on Hillcrest Petroleum Ltd, contact Don Currie toll free at 1-855-609-0006 or visit the Company’s website at [www.hillcrestpetroleum.com](http://www.hillcrestpetroleum.com)**

**ON BEHALF OF THE BOARD**

**Donald Currie**  
**Chief Executive Officer and Director**

**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 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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