



Suite 1300 1030 W Georgia St  
Vancouver BC, V6E 2Y3  
Tel: 604-609-0006  
Toll-free: 1-855-609-0006  
Fax: 778-379-0991

January 28, 2019

TSX-V: HRH  
OTC PINK: HLRTF

## **HILLCREST SIGNS STRATEGIC ALLIANCE WITH PUBLICLY TRADED AUSTRALIAN OIL AND GAS COMPANY**

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”) is pleased to announce it has executed a Memorandum of Understanding (MOU) with Xstate Resources Limited (“Xstate”), a publicly listed Australian oil and gas company, to jointly pursue oil and acquisitions in Canada and onshore USA. Hillcrest has identified and is currently reviewing producing oil and gas assets in the Western Canada Sedimentary Basins for the purpose of acquisition and development. Xstate has been participating in and is reviewing potential acquisition of various U.S. oil and gas projects.

Under the Strategic Alliance, Xstate and Hillcrest will offer participation in North American acquisition opportunities to each other. Should either company elect to pursue one or more of the acquisition opportunities, the originating company will facilitate the acquisition on behalf of the both, may operate the acquired assets under joint venture agreements and implement field development plans intended to maximize the market value of the acquired assets with capital funding provided jointly.

“Hillcrest is pleased to have Xstate as a strategic partner” Don Currie Hillcrest CEO states “Xstate’s management team has a proven track record acquiring, developing and exploiting oil and gas assets world- wide. Xstate’s ability to provide a wider audience and access to equity funding for jointly pursued projects is a key component of the Alliance. Hillcrest and Xstate are aligned in their strategic objectives for creating shareholder value. Both companies are focused on acquiring, developing and delivering the value potential from conventional oil and gas assets with material upside. Aligning the companies makes the collective capital, management and operational efforts much more efficient and opens the opportunity for Hillcrest to build effective and efficient core company operating capability based on larger operations than are currently available to Hillcrest .”

“It is vitally important when working in North America for joint venture interests to be aligned”. Cosimo Damiano CEO Xstate explained. “Xstate will have the opportunity to work with an experienced management team, who is connected to sophisticated financial investors. The joint venture will benefit from each Partners management teams past activities in North America; scaled balance sheet capacity to access larger field acquisitions, providing economies of scale in operating costs and production operations”.

The strategic Alliance is based on mutual cooperation and assistance in order to support the growth of the respective Partners onshore North America. Both Hillcrest and Xstate intend that the Alliance will be the primary investment vehicle for material investments by either Party in the Canadian and USA oil and gas sector. Hillcrest will support future investment by Xstate and Xstate will support future investments

made by Hillcrest in onshore North America projects. The Parties will include each other in investment opportunities where it is in the best interest of both Companies shareholders as a whole.

The Board of Hillcrest welcomes the formalization of the Strategic Alliance with Xstate that secures collective future growth opportunities.

**For all upcoming news releases, articles, comments and questions, stay updated and speak with management about Hillcrest Petroleum. Please JOIN our Investor Information Group at: <http://connects.company/hillcrest9>**

**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**

### **About Xstate Resources Limited**

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector. The Company has existing gas exploration assets located in the Sacramento Basin, California and associated gas production. Xstate is presently pursuing new opportunities in the oil and gas sector onshore North America .

### **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.

*Neither TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

