



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

May 29, 2018

TSX-V: HRH
OTCQB: HLRTF

**HILLCREST SIGNS BINDING AGREEMENTS FORMING STRATEGIC ALLIANCE
TO PURSUE OIL AND GAS ACQUISITIONS IN WESTERN CANADA**

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “Company” or “Hillcrest”) is pleased to announce that it has signed binding agreements creating a Strategic Alliance (the “Strategic Alliance”) with a private company (the “Partner”) to pursue oil and gas acquisitions in Western Canada. Under the Strategic Alliance, Hillcrest will grant the Partner an exclusive right of first refusal on pre-screened acquisition opportunities to be operated and managed by Hillcrest and will be assigned a 25% carried interest in any acquired assets in exchange for access to its acquisition opportunity register and oil and gas business management services. The Partner will fund 100% of acquisition and development costs.

Hillcrest has compiled a register of potential oil and gas acquisition targets in Western Canada, selected based on criteria including positive operating cash flow from current production operations and the potential to increase the market value of the assets by more than 3x through field development activities. Hillcrest is currently in various stages of discussions with a number of vendors regarding these acquisition targets.

Under the Strategic Alliance, Hillcrest will offer acquisition opportunities to the Partner. Should the Partner elect to pursue one or more of the acquisition opportunities, Hillcrest will facilitate the acquisition on behalf of the Partner, 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 by the Partner.

The Partner intends to raise up to \$50,000,000 to fund potential acquisition and subsequent development of oil and gas assets through an asset secured token offering attached to the acquired oil and gas assets. The Partner has engaged an investment banking and financial services group with specialist expertise in block chain tokens and has initiated activities with them in preparation to market the tokens in the coming weeks.

As previously announced on May 22nd, and consistent with the terms of the Strategic Alliance, Hillcrest continues to focus on its core business as an oil and gas company with activities directed toward the acquisition, development and management of oil and gas assets.

Highlights of the Strategic Alliance are:

- The Partner has an exclusive first right of refusal to partner with Hillcrest on oil and gas acquisitions in Western Canada identified by Hillcrest.

- The Partner will fund 100% of the acquisition and development costs associated with oil and gas assets.
- Hillcrest will provide oil and gas business management services and will manage and operate assets acquired under the terms of agreements related to the Strategic Alliance between Hillcrest and the Partner.
- Hillcrest will receive a direct 25% carried ownership interest in any assets acquired.
- Hillcrest will receive a management fee and full cost recovery for providing oil and gas business management services to identify, acquire and manage Canadian oil and gas assets, as well as milestone based bonuses and operational performance based bonuses to be agreed with the Partner after assets are acquired.
- The term of the agreements are 5 years, with options to extend.

Don Currie, Hillcrest CEO, states: “The execution of the binding agreements forming this Strategic Alliance with a funding partner is a substantial development for Hillcrest and one that has the ability to fast track our acquisition and development plans. The relationship between the parties will see their capital back our Western Canadian acquisition opportunities, with both parties benefiting as acquisitions are completed and further field development is undertaken to unlock the value in the assets. Assuming the Partner is successful in its financing activities over the coming weeks, Hillcrest would expect to accrue significant short term value increases, at no cost to Hillcrest, through our through carried interest interests in quality oil and gas assets that we have identified and commenced discussions on over the last several months. Further value to Hillcrest could be expected as value is delivered from acquired assets through field development activities managed by Hillcrest and from management fees and various bonus structures under the agreements related to the Strategic Alliance. Another significant benefit, is that Hillcrest will no longer have to consider equity capital raises and/or debt to fund acquisition and development opportunities for growth. We are excited to be aligned with a financial group who recognize and are prepared to invest based on our management team’s extensive experience and track record delivering value from upstream oil and gas projects and who share our belief that this is an excellent time to be acquiring assets in the Western Canadian Sedimentary Basin.”

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

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.

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.