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Hillcrest Announces Convertible Loan Financing

VANCOUVER, B.C. – Hillcrest Petroleum Ltd. (the “**Company**”) announced that it has received loan commitments for gross proceeds of up to \$900,000 (the “**Loans**”), the terms of which allow for the conversion of the Loans plus applicable interest, at the option of the holder, into common shares of the Company (the “**Shares**”) at a price equals the market price of the Shares for the first 12 months and the greater of the market price and \$0.10 per Share thereafter, pursuant to the policies of the TSX Venture Exchange.

The Loans will mature on the date that is the earlier of the sale of certain assets of the Company, being specified wells owned by the Company (the “**Asset**”), the date of conversion or the date that is two years from the date of issuance and bear interest at the rate of 15% per annum, payable quarterly, until the Loans are converted or repaid. As security of the repayment of the Loan an all interest accrued thereon, and all other indebtedness, liabilities and obligations of the Company to the lenders, both present and future, direct or indirect, absolute or contingent, matured or otherwise, or caused to be delivered to the Lenders on or before the advance of the Loan, a security agreement pertaining to the Asset in favour of the lenders. The Notes are secured and transferable, subject to resale restrictions under applicable securities laws and TSX Venture Exchange requirements.

Proceeds from the Loan financing will be used for project costs related to the assets and wells in Saskatchewan Joint Venture that was previously announced.

All securities issued in connection with the Loan financing will be subject to a statutory hold period of four months plus a day commencing from the date of closing. Closing of the Loan financing is subject to customary conditions, including TSX Venture Exchange acceptance.

Insiders of the Company will participate in the Loan financing, which will constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and Policy 5.9 – *Protection of Minority Security Holders in Special Transactions of the TSX-V*. The issuance to the insiders is exempt from the formal valuation and the minority shareholder approval requirements of MI 61-101 as the consideration paid by such insiders did not exceed 25% of the Company’s market capitalization.

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.