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## **HILLCREST SHAREHOLDER UPDATE**

**VANCOUVER, B.C. – Hillcrest Petroleum Ltd.** (the “Company” or “Hillcrest”) is pleased to offer an update on current operations.

Oil production operations at Hillcrest’s West Hazel field are stable, with production revenues expected to continue to cover operating expenses in the current low oil price environment.

In addition, activities to connect the field to the regional power grid to power field operations is underway and expected to be completed by end March. Field electrification is expected to reduce monthly operating costs by approximately 20% and reduce operational carbon footprint significantly, by replacing diesel generators currently in use.

Plans and permits are in place to re-complete an existing well in an up-hole, oil bearing, zone which is estimated to add 50-100 barrels oil production per day. Costs for the well re-completion and associated production equipment is expected to be less than CDN \$200,000.

Additional production from the well recompletion is expected to provide a disproportionate increase in operating income, as a high proportion of the field costs are fixed. Sales revenues from additional oil production would therefore accrue directly to operating profits without increasing operating costs.

Hillcrest is in discussions with parties to secure funding for the re-completion and the Company is confident funding can be sourced.

“Since re-starting production from the West Hazel field early last year, we have gained valuable insight into opportunities to add value by optimizing our operations and implementing environmental best practices.” states Don Currie, CEO of Hillcrest Petroleum. “The initial upgrades of facilities and the current field electrification puts the Company in a better position than most producers, in that we are able to maintain positive operating cash flows from the field, even after the recent dramatic drop in oil prices.

In addition, Hillcrest has identified relatively inexpensive re-completion potential in the field and will proceed when funding is obtained.

We are continuing to pursue our stated objective of acquiring and further developing, producing assets in the Western Canada Basin and will update our shareholders as material events occur.”

**ON BEHALF OF THE BOARD**

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

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

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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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