

Hillcrest Petroleum Ltd

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Hillcrest Petroleum seals deal with Australian oil and gas firm

Hillcrest Petroleum Ltd (CVE:HRH) said Monday it has inked a memorandum of understanding with Xstate Resources Ltd (ASX:XST), a publicly listed Australian oil and gas company, to pursue onshore oil and gas acquisitions in Canada and the United States.

Hillcrest is reviewing potential acquisition and development targets in Western Canada. Xstate has been participating in and is reviewing the potential acquisition of various US oil and gas projects.

"Xstate's management team has a proven track record acquiring, developing and exploiting oil and gas assets worldwide. Xstate's ability to provide a wider audience and access to equity funding for jointly pursued projects is a key component of the Alliance," said Hillcrest's chief executive officer, Don Currie, in a statement.

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According to Currie, Hillcrest and Xstate are aligned in their strategic objectives for creating shareholder value and both companies are focused on acquiring, developing and delivering the value potential from conventional oil and gas assets.

"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," said Currie.

Under the deal, Xstate and Hillcrest will offer participation in North American acquisition opportunities to each other and if either company wants to pursue one or more acquisition opportunity, the originating company will facilitate the acquisition on behalf of 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.

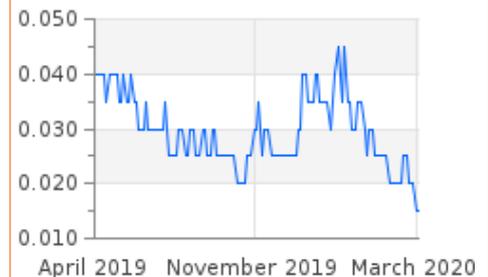
"It is vitally important when working in North America for joint venture interests to be aligned," said Xstate chief executive officer Cosimo Damiano in a statement. "Xstate will have the opportunity to work with an experienced management team, who is connected to sophisticated financial investors. The 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".

Shares of Hillcrest Petroleum were at C\$0.05 on Monday.

Price: 0.015

Market Cap: \$1.86 m

1 Year Share Price Graph



Share Information

Code: HRH

Listing: TSX-V

52 week High Low
0.045 0.015

Sector: Oil & Gas

Website: www.hillcrestpetroleum.com

Company Synopsis:

Hillcrest Petroleum Ltd. , headquartered in Houston Texas, is a publicly traded independent oil and gas production company. Hillcrest is currently producing and selling oil and natural gas from our main asset located in the shallow waters of Louisiana in the Gulf of Mexico and from onshore wells located in Newton County Texas. Hillcrest Petroleum Ltd.

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