

Hillcrest Petroleum Ltd

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Hillcrest Petroleum looking to turn corner as talks on acquisitions continue and it moves to lift output in Saskatchewan

- **West Hazel asset is producing**
- **Still on acquisition trail**
- Experienced team

What Hillcrest Petroleum does:

Hillcrest Petroleum Ltd (CVE:HRH) (OCTMKTS:HLRTF) is a Vancouver-headquartered small cap oiler, with assets in Western Canada.

It reckons that after a period of sustained low prices, the Canadian oil industry offers numerous undervalued projects to buy and develop to create value.

In 2017, it struck a joint venture deal with a private Canadian oil and gas firm, whereby it earns an initial 75% working interest (WI) to operate and re-establish 150 to 250 barrels of oil per day (bopd) production from assets in Western Canada (West Hazel field). The field was generating over 200 bopd before being shut down in 2015 by the previous operator.

And in 2018, Hillcrest announced a strategic tie-up with a private company to pursue oil and gas acquisitions, also in Western Canada. The partner has the exclusive right of first refusal on pre-screened opportunities and will be assigned a 25% carried interest in any acquired assets. The partner is to fund 100% of acquisition and development costs.

In January last year, Hillcrest also inked a memorandum of understanding (MoU) with Australian publicly-listed Xstate Resources Ltd (ASX:XST), to pursue onshore oil and gas acquisitions in Canada and the United States.

How's it doing:

Hillcrest boss Don Currie believes management are close to 'turning' the small oiler around after what has been a challenging few years.

In January, 2019, production began at the West Hazel project and stabilized in July, August. In September, the group put out a release, saying that output rates were over 150 bopd.

That came after a workover of four wells at the Saskatchewan site in July, boosting production by roughly 70-80 bopd. The group hopes to boost that output still further.

This January, Hillcrest revealed that, as part of moves to firm up its balance sheet, chief executive Currie had converted his portion of a loan to the group into shares, receiving around 5.5 million shares from a loan converted into 11.14 million shares at 5 cents each (around C\$557,000).

Price: 0.065

Market Cap: \$10.52 m

1 Year Share Price Graph



Share Information

Code: HRH

Listing: TSX-V

52 week	High	Low
	0.155	0.01

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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Hillcrest also said talks were ongoing with other lenders to secure further debt to equity conversions in a bid to retire debt.

Also at the beginning of January, the group appointed chartered accountant Aaron Triplett as its chief financial officer and corporate secretary.

Inflection points

- Uplift in output
- Acquisition news

What the boss says:

"We believe that the West Hazel asset, which is doing 170 barrels a day right now, 200 on some days. We believe we can take that to 500 or 600 barrels a day if we're successful with workovers in the two short lateral wells that we'll be drilling," chief executive Don Currie told Proactive's Steve Darling in January.

"That's a pretty good increase for any company and puts a lot on the bottom line and will take away a large part of the remaining debt," he added.

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