

HILLCREST ENERGY TECHNOLOGIES LTD.
("Hillcrest" or the "Company")

ENVIRONMENTAL POLICY

Policy Statement

Hillcrest Energy Technologies Ltd. and all its subsidiaries ("**Hillcrest**") are committed to implementing the highest standards of environmental performance in all areas of our business. We believe that it is possible to operate our business based on the efficient and economic use of energy and materials and the protection of the environment in compliance with all applicable laws and international guidelines.

Our goal is to avoid, or where this is not possible, minimize the impact of our activities on the environment, to preserve it for future generations.

We strive for continual improvement of our environmental performance. Our environmental principles are embedded in a number of our internal procedures, business systems and processes.

Hillcrest Environmental Values

Our ability to operate the business, satisfy customers and other stakeholders and build sustainable economic success is increasingly dependent on our environmental performance. Our commitment applies to all aspects of our business and includes the following:

- Complying with environmental laws and regulations and continually improving our environmental performance.
- Integrating the requirements of environmental laws and regulations into business planning and decision making.
- Managing operations to minimize waste and pollution.
- Encouraging and recognizing employees for their contribution toward improving our environmental performance.

Our Approach

In order to fulfil our commitment to protecting the natural environment wherever we work, we are committed to strive to:

- Design, develop, operate, monetize and recover our facilities and our products in an environmentally sound manner;
- Comply with environmental standards established by applicable laws, standards and regulations in the countries and regions in which we operate;

- Promote the efficient use of energy and natural resources through recovery, recycling and reuse;
- Protect water sources, reduce water use, recycle and reuse water wherever possible and ensure any water used is discharged according to regulatory requirements;
- Provide safe storage and disposal of all residual waste;
- Commit to the efficient use of resources to minimize waste and prevent pollution;
- Continuously review and improve our environmental management and performance to establish environmental objectives and targets, and to minimize, mitigate or counteract our environmental impacts;
- Encourage our partners, contractors and suppliers to implement effective management systems and integrate environmental best practices within their operations;
- Provide training and supportive resources for our employees and contractors which empowers each person to contribute to high standards of environmental practices that meet all of our policies and applicable laws and regulations;
- Provide our management at each of our operations with the authority and resources necessary to carry out site specific environmental responsibility practices;
- Provide environmental training, equipment and systems to our workforce to ensure the efficient use of resources;
- Communicate transparently with employees, contractors, regulatory authorities, local communities and shareholders on environmental issues;
- Promote the efficient use of energy and adopt energy efficient practices with the goal of reducing our carbon footprint; and
- Consistently assess our climate-related risk.

Training and Communication

The Company will provide a copy of the current version of this Policy to new Employees when they are hired or contracted and will provide copies of significant changes as necessary.

We will include environmental protection information and provide training on the protection of the environment in our training sessions.

Monitoring and Reporting

We will continually review and evaluate environmental legislation, regulations and standards in the jurisdictions in which we operate.

We will continue to develop and implement supporting policies, procedures, training and internal reporting structures to embed this Policy throughout the Company.

The Company expects all Employees to take steps to prevent any violation of this Policy. This includes identifying and raising potential issues before they lead to problems and seeking additional guidance when necessary.

Employees who become aware of a violation of this Policy must report the matter to their immediate supervisor/manager, or alternatively anonymously through the Whistleblower process as soon as possible. If an Employee reports the matter to their immediate supervisor, that supervisor must immediately communicate the information to the COO who will determine the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved.

Employees who raise genuine concerns will not be subject to retaliation or disciplinary action. Retaliation by anyone as a consequence of making a good faith report of a possible violation of the law or this Policy is strictly prohibited and will result in disciplinary action, including termination.

We will make our environmental protection performance available to the public through annual reporting initiatives.

Questions

Any questions regarding this Policy should be directed to the COO of Hillcrest.

Changes to this Policy

Hillcrest reserves the right, at its absolute discretion, to change this Policy from time to time as it considers necessary.

This Policy was approved by the Board on January 17, 2023.