



JOINT PRESS RELEASE

HIGHPINE OIL & GAS LIMITED ANNOUNCES CLOSING OF MERGER WITH VAQUERO ENERGY LTD.

Calgary, Alberta, May 31, 2005 - Highpine Oil & Gas Limited ("Highpine") and Vaquero Energy Ltd. ("Vaquero") are pleased to jointly announce that the previously announced Plan of Arrangement (the "Arrangement") involving Highpine and Vaquero has been completed. The Arrangement was approved at the annual and special meeting of securityholders of Vaquero and by the Court of Queen's Bench of Alberta earlier today. Holders of common shares and options of Vaquero voted 96% in favour of the Arrangement resolution. Highpine issued 19,494,204 class "A" common shares to the former securityholders of Vaquero on completion of the Arrangement.

With the completion of the Arrangement Highpine is now the dominant player in the exciting Pembina Nisku exploration trend in West Central Alberta where both companies have focused their operations.

Highpine will continue to be managed by its current executive team led by Mr. Gordon Stollery, Chairman, President and Chief Executive Officer and Mr. Greg Baum, Executive Vice President and Chief Operating Officer. In addition, Highpine is pleased to announce that Mr. Robert Waldner, the former President and Chief Executive Officer of Vaquero, will be proposed as a director of Highpine at the annual and special meeting of Highpine shareholders scheduled to be held on July 6, 2005.

It is anticipated that Vaquero's common shares will be delisted from the Toronto Stock Exchange at the close of business on Friday, June 3, 2005. In conjunction with the closing, the directors and officers of Vaquero have resigned and officers of Highpine have been elected as directors.

Highpine Highlights Pro Forma the Arrangement:

The merged entity is a light oil exploration company with its core asset base located in Western Canada's most exciting oil exploration play on the prolific Pembina Nisku trend. In addition, Highpine has diversified oil and natural gas exploration and development opportunities in Joffre/Gilby, Windfall, Chip Lake, Bantry/Retlaw, McLeod/Goodwin, and Sturgeon Lake.

Pro forma the current production from the merged entity, including Pembina, is between 7,000 to 7,500 boe/d. The total productive capability, including behind-pipe production is 13,000 to 14,000 boe/d.

Corporately, Highpine now has:

- Total undeveloped land of approximately 172,000 net acres.
- An average working interest of 61%.
- A drilling inventory of approximately 142 gross (101 net) firm drilling locations and 22 gross (18 net) contingent locations targeting the highest quality light oil and natural gas reserves in western Canada.

At Pembina Highpine now has:

- Total undeveloped land of approximately 60,000 net acres
- An average working interest of approximately 70%
- A 3-D seismic base of approximately 1,000 square kilometres, that essentially covers the entire play
- Ownership in 15 of the 19 discoveries made to date
- Approximately 74 distinct seismically defined locations at an approximate 70% working interest and 11 contingent locations in the Nisku play
- Current Pembina production of approximately 4,200 boe/d plus behind pipe production of approximately 5,600 boe/d for a total productive capability of 9,800 boe/d.
- Construction of Highpine's Violet Grove Battery is now complete. The facility is being thoroughly tested prior to actual startup. Once in operation, this facility should allow most of the behind-pipe production in the Pembina area to come on stream.
- Including the Violet Grove Battery Highpine will have control of facilities with a net capacity of almost 18,000 bbls/d.

In addition to Pembina, Highpine has five additional core areas at Joffre/Gilby, Windfall, Chip Lake, Bantry/Retlaw and McLeod/Goodwin.

On a combined basis, Highpine has a capital expenditure budget of \$120 million and intends to drill approximately 40 to 50 wells for the remainder of 2005. Highpine estimates that its pro forma exit production for 2005 should range between 11,700 and 13,200 boe/d. Total combined bank debt is approximately \$52 million as of May 31, 2005 and Highpine, following closing of the Arrangement, has approximately 44.2 million basic and 46.0 million fully diluted class "A" common shares outstanding.

READER ADVISORY

This press release shall not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction. The class "A" common shares of Highpine will not be and have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration or applicable exemption therefrom.

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Statements in this press release may contain forward-looking information including expectations of future production and components of cash flow and earnings. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the companies. These risks include, but are not limited to; the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks include, but are not limited to; operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of reserves, production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information.

The reader is further cautioned that the preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or

positive effect on net earnings as further information becomes available, and as the economic environment changes.

For further information please contact:

A. Gordon Stollery, Chairman, President and Chief Executive Officer
Greg N. Baum, Executive Vice President and Chief Operating Officer or
Harry D. Cupric, Vice President, Finance and Chief Financial Officer

Highpine Oil & Gas Limited
Suite 2200, 500 - 4th Avenue S.W.
Calgary, Alberta T2P 2V6
Canada
Telephone: (403) 265-3333
Facsimile: (403) 265-3362
Website: www.highpineog.com

*The Toronto Stock Exchange has neither approved nor disapproved
the information contained herein.*