



NEWS RELEASE

HIGHPINE OIL & GAS LIMITED PROVIDES OPERATIONAL UPDATE AND 2008 OUTLOOK

Calgary, Alberta, January 9, 2008 - Highpine Oil & Gas Limited (TSX: HPX) ("**Highpine**") is pleased to provide an operational update and 2008 outlook.

Year-End Production Update

Highpine estimates that its December 2007 field production averaged 19,400 Boe/d, up 34% from December 2006 (14,500 Boe/d). December 2007 production was composed of 13,300 barrels oil and NGL's per day, and 36.6 million cubic feet of natural gas per day. Estimated fourth quarter production volumes were 19,500 Boe/d. Estimated average production for 2007 was 17,600 Boe/d, an increase of nearly 50% over the previous year.

In December, Highpine continued to experience production curtailments due to operational issues at some of its recipient gas plants. Highpine is taking steps to improve all of its recipient gas plant operations for 2008 including installing an additional booster compressor on one of its major sales lines from the Violet Grove 16-29 battery to increase throughput capacity of sour natural gas. In addition, during the first half of 2008, Highpine plans to debottleneck the 16-29 oil facility to substantially increase the facility's capacity.

Five Nisku wells at Pembina are awaiting tie-in and are expected on production during the first quarter of 2008. The second of two Cretaceous wells drilled at Ansell in Q1 2007 came on stream in November at a restricted rate of 2 MMcf/day (1 MMcf/day net).

Drilling Update

Highpine cased 8 (7.27 net) wells during the fourth quarter of 2007 and currently has one (1 net) Nisku well and two (1 net) Cretaceous wells drilling. Four (3.33 net) wells are cased as potential gas wells, and 4 (3.94 net) wells have been or will be completed for oil. No dry holes were drilled in the fourth quarter.

The 94% owned 16-36-48-8W5M (4,200 metre) long reach well drilled into the Pembina Nisku WW pool has been completed. The 16-36 well encountered the WW pool porous Nisku reef 177 feet above the pool oil/water contact and 60 feet higher than the 9-35 well. As expected, the 16-36 well shows no indications of a gas/oil or oil/water interface. The 16-36 well commenced production on December 21st and was shut-in at year end, awaiting regulatory approval of a production allowable. The 16-36 well is analogous to the offsetting 9-35-48-8W5M well which has been on production at rates up to 2,200 barrels of oil per day plus three million cubic feet of gas per day.

A new 100% owned Pembina Nisku oil pool was discovered in October 2007. This well tested clean oil and natural gas and is currently being tied in for a better evaluation of capability and pool size.

Two 100% Highpine owned Pembina wells were cased as potential oil wells in December. The 11-11-48-10W5M will be completed in January for production from the Pembina Nisku DDD pool. The 9-26-48-8W5M well encountered porous Nisku reef with hydrocarbons indicated on logs and will be completed as a Nisku oil well in January.

One (0.83 net) Nisku gas well has been completed and is expected to be on-stream in January 2008. Two (1.5 net) of the potential Nisku gas wells are awaiting completion. The previously announced Cretaceous gas well at Joffre has been producing since October 29, 2007 at 500 Mcf/d.

Q1 2008 Drilling Plans and 2008 Budget

During the first quarter of 2008, Highpine plans to complete a 4 (3 operated) Nisku well drilling program at Pembina and participate in a 3 (1.5 net) well drilling program at Ansell, Alberta, targeting Cretaceous natural gas.

In light of the uncertainty surrounding the New Royalty Framework ("NRF"), the Board of Directors has approved an interim capital budget for 2008 of \$150 million, being an amount which is below anticipated cash flow. This budget will allow for Highpine's participation in 34 (28 net) wells in 2008. The interim budget will permit Highpine to reduce its debt pending a potential expansion of capital activities if clarification in the NRF can be obtained which removes the uncertainty surrounding deep oil drilling in Alberta. Highpine remains committed to working with the Government of Alberta to address unintended consequences from the NRF and to providing value to its shareholders.

Highpine is a Calgary-based oil and natural gas company engaged in exploration for and the acquisition, development and production of natural gas and crude oil in western Canada. Highpine's current exploration and development efforts are focused in the West Pembina Nisku and West Central Alberta Gas Fairway, both located in Central Alberta. The company's class A common shares trade on the Toronto Stock Exchange under the symbol "HPX".

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Reader Advisory

Barrels of oil equivalent ("**BOE**") may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalency conversion method application at the burner tip and does not represent an economic value equivalency at the wellhead.

Certain information in this news release contains forward-looking statements including management's assessment of future plans and operations of Highpine, expectations of future production, plans for and results of exploration and development activities and other operational developments, and expenditures pursuant to the capital budget program and the results therefrom. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Highpine's control including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, risks associated with sour hydrocarbons, changes to the proposed NRF prior to implementation and thereafter, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, delays in projects and/or operations resulting from surface conditions, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could effect Highpine's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Highpine's website (www.highpineog.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Highpine does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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