



## **PRESS RELEASE**

**January 18, 2008**

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### **TRISTAR ANNOUNCES CLOSING OF PRIVATE COMPANY ACQUISITION; REITERATES 2008 GUIDANCE**

TriStar Oil & Gas Ltd. ("TriStar" or the "Company") announces that it has successfully closed the previously announced acquisition of Arista Energy Limited (the "Private Company") by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement") for cash consideration of approximately \$212 million, including the assumption of the Private Company's net debt.

As a step to the Arrangement, each of the 16,875,000 subscription receipts ("Subscription Receipts") of TriStar issued on January 11, 2008 were exchanged for one freely tradable TriStar Share. Olympia Trust Company, as trustee for the Subscription Receipts, will issue and mail certificates for the TriStar Shares to the registered holders of Subscription Receipts within 5 business days.

The Private Company's assets are focused in TriStar's core area of Southeast Saskatchewan and are comprised of more than 2,250 boepd of high quality light oil. More than 75 percent of the Private Company's production originates from Fertile, a large, light oil (36° API) pool. The Private Company holds a 50 percent working interest in the majority of the Fertile pool. TriStar is acquiring the other 50 percent working interest in the Fertile pool through the previously announced acquisition of Bulldog Resources Inc. ("Bulldog").

Brett Herman, President and Chief Executive Officer of TriStar commented, "The closing of the Arista transaction combined with the upcoming acquisition of Bulldog materially expands our Southeast Saskatchewan asset base. The Fertile pool has extensive development potential at extremely attractive economics which we plan to immediately pursue in 2008."

#### **CORPORATE OVERVIEW: 2008 GUIDANCE**

With the completion of the Arrangement, and the anticipated closing of the previously announced proposed acquisition of Bulldog (the "Bulldog Acquisition"), TriStar confirms that it anticipates 2008 average daily production of more than 20,250 boepd, comprised of greater than 75 percent high quality, long life, light oil, with a 2008 production exit rate of more than 21,750 boepd.

Upon closing of the Bulldog Acquisition, TriStar estimates it will have the following corporate characteristics:

<b>High Quality Assets:</b>	Top-decile netbacks, >85 percent operated, light oil and natural gas reserves and production focused in four core operating areas
<b>Long Life Reserves:</b>	> 63 mmoeb (P+P); RLI of over 8.5 years
<b>High Quality Production:</b>	Average Rate 2008 (E): >20,250 boepd (>75% light oil) Exit Rate 2008 (E): >21,750 boepd (>75% light oil)
<b>Estimated Net Debt:</b>	<\$300MM; <1.2 times cash flow (US\$75 WTI, \$6.75 AECO)
<b>Shares Outstanding:</b>	109.9 MM (B); 114.2 MM (FD)
<b>Significant Upside Potential:</b>	>1,500 development locations >780,000 net acres of undeveloped land

TriStar Oil & Gas Ltd. is a Calgary based company active in the acquisition, exploration, development and production of crude oil and natural gas in Western Canada.

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**Warning about Forward-Looking Statements**

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning, TriStar's projected average annual and exit rates of production of oil and natural gas for 2008 and estimated net debt and cash flow following closing of the announced acquisitions.*

*The forward-looking statements are based on certain key expectations and assumptions made by TriStar, including expectations and assumptions concerning prevailing commodity prices and exchange rates, availability and cost of labour and services, the timing of receipt of regulatory approvals, the performance of existing wells, the success obtained in drilling new wells, the performance of new wells and the sufficiency of budgeted capital expenditures in carrying out TriStar's planned activities.*

*Although TriStar believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TriStar can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. These risks are set out in more detail in TriStar's annual information form for the year ended December 31, 2006, which can be accessed at [www.sedar.com](http://www.sedar.com).*

*The forward-looking statements contained in this press release are made as of the date hereof and TriStar undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

**Meaning of Certain Terms**

*When used in this press release, boe means a barrel of oil equivalent on the basis of 1 boe to 6 thousand cubic feet of natural gas. Boepd means a barrel of oil equivalent per day.*

*Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6 thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The common shares offered have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and many not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable states securities laws.*

**THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**