



**HILLSBOROUGH ANNOUNCES THE EXECUTION OF A COAL OFF-TAKE AGREEMENT AND FINANCIAL ARRANGEMENTS**

April 2, 2008 - Hillsborough Resources Limited (TSX:"HLB") is pleased to announce the execution of a coal off-take agreement between its wholly-owned subsidiary, Quinsam Coal Corporation and Vitol SA, of Geneva, Switzerland, part of the Vitol Group, a major international energy and commodity trading and marketing conglomerate.

The agreement covers the sale of 730,000 tonnes of thermal coal, of which 130,000 tonnes has already been announced, and is due for shipment in the last quarter of 2008 at US \$91 per tonne. The balance of the off-take coal is deliverable equally in 2009 and 2010 at prices based off the Newcastle index, less a small discount for the Canadian/Australian freight differential. Price for the final 600,000 tonnes has not yet been set, but is expected to average in excess of US \$100 per tonne.

The agreement also allows for the advance drawdown of up to US \$10 million by Quinsam, with interest at LIBOR + 2%, to be repaid as follows:

- By deduction from the coal covered under the off-take agreement or;
- By conversion of the debt into a US \$10 million convertible note issued by Hillsborough. This note will attract interest at the rate of 7.5%, and be convertible into shares of the company at a conversion price of 75 cents. Shareholder approval is being sought for this transaction.

Proceeds are to be used for capital additions at the Quinsam mine, to meet potential cash calls for the Peace River Coal investment and for general corporate & working capital purposes.

As well, the agreement provides a US \$5 million revolving facility to accommodate inventory build-up prior to shipment under the agreement. Repayment of this facility will flow from shipment sales proceeds.

"I am delighted to be able to announce this agreement," said David Slater, President & CEO. "Vitol have proven to be excellent partners and we are certainly impressed with their excellent understanding of the dynamics of the thermal coal market. We are looking forward to a long and mutually fruitful association."

[About Vitol](#)

The Vitol Group is one of the largest traders in the world's energy marketplace. Vitol's main trading operation is located in Geneva, Switzerland. For further information, please visit [www.vitol.com](http://www.vitol.com)

**About Hillsborough Resources Limited**

Hillsborough Resources Limited is a coal mining company that operates the Quinsam underground thermal coal mine near Campbell River, British Columbia, which serves the local and west-coast U.S. cement industry and is increasing export sales. The Company is a limited partner in the Peace River Coal Limited Partnership, which has substantial metallurgical coal properties both in production and under development near Tumbler Ridge, British Columbia. In addition, the Company is developing the proposed Wapiti thermal coal mine in the same region. Hillsborough also holds the Bingay Creek metallurgical coal property located in the Elk Valley region of southeast British Columbia.

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