

FOR IMMEDIATE RELEASE JULY 2, 2003

FAIRBORNE ENERGY LTD. AND PIVOTAL ENERGY LTD. ANNOUNCE COMPLETION OF ARRANGEMENT

Calgary, Alberta – Fairborne Energy Ltd. ("Fairborne") (TSX: "FEL") and Pivotal Energy Ltd. ("Pivotal") (TSX: "PVL") announced today that the previously announced Plan of Arrangement involving Fairborne and Pivotal became effective on July 2, 2003.

The Arrangement was unanimously approved by the shareholders of Fairborne and was approved by approximately 99.7% of the shareholders of Pivotal that voted on the Arrangement at respective shareholder meetings held on July 2, 2003. The Arrangement was also approved by the Court of Queen's Bench of Alberta on July 2, 2003.

Pursuant to the Arrangement, all shares of Pivotal were transferred to Fairborne and Pivotal became a wholly-owned subsidiary of Fairborne. The previous shareholders of Pivotal received, for each outstanding common share of Pivotal held by them, 0.485 common shares of Fairborne.

After giving effect to the Arrangement, Fairborne has approximately 30.3 million common shares outstanding.

Letters of Transmittal have been sent to Pivotal and Fairborne shareholders to be utilized in order to exchange their shares for the newly created common shares of Fairborne Energy Ltd.

Upon issuance of a Bulletin of the Toronto Stock Exchange (the "TSX") confirming receipt by the TSX of all necessary documents in connection with the closing of the Arrangement and related matters, the common shares of Fairborne Energy Ltd. will begin trading on the TSX under the trading symbol "FEL" in substitution for the common shares of Pivotal which will be de-listed at that time.

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