



NEWS RELEASE

**FAIRBORNE ENERGY TRUST ANNOUNCES
SECURITYHOLDER AND COURT APPROVALS OF PLAN OF ARRANGEMENT**

Conversion from Trust to Corporation overwhelmingly approved by Unitholders

CALGARY, ALBERTA, December 18, 2007 – Fairborne Energy Trust ("Fairborne") is pleased to announce that Fairborne received today securityholder and court approvals for the previously announced plan of arrangement pursuant to which Fairborne will covert into a growth oriented, exploration and production company (the "Reorganization"). Securityholders of Fairborne voted in excess of 98% in favour of the Reorganization. The Reorganization is expected to become effective on December 19, 2007. The previously announced private placement of approximately 13.4 million common shares of the newly amalgamated Fairborne Energy Ltd. to Denham Commodity Partners Fund IV LP, a U.S. - based private equity fund advised by Denham Capital Management LP, at a subscription price of \$7.45 per share for aggregate gross proceeds of approximately Cdn\$100 million is expected to close immediately following completion of the Reorganization.

The trust units of Fairborne trade on the Toronto Stock Exchange under the trading symbol "FEL.UN".

FOR FURTHER INFORMATION PLEASE CONTACT:

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