



## PRESS RELEASE

### FAIRBORNE ENERGY LTD. AGREES TO MAKE OFFER FOR GRAND BANKS ENERGY CORPORATION AND ANNOUNCES SALE OF SULPHUR INVENTORY

CALGARY, ALBERTA, April 29, 2008 – Fairborne Energy Ltd. (TSX: FEL) (“Fairborne”) and Grand Banks Energy Corporation (TSX-V: GBE) (“Grand Banks”) jointly announce that they have entered into an agreement pursuant to which Fairborne will, subject to certain conditions, make an offer (“the Offer”) to acquire all of the issued and outstanding common shares of Grand Banks (“Grand Banks Shares”) by way of a take over bid. Under the terms of the bid, Fairborne will pay \$2.90 cash per share, representing a premium of approximately 30% to the prior 30-day weighted average price of Grand Banks Shares. The Offer will be subject to certain conditions, including the deposit of not less than 66 2/3% of the outstanding common shares of Grand Banks (on a fully diluted basis), receipt of required regulatory approvals and other customary conditions.

Grand Banks is a TSX Venture listed junior exploration and production company with operations focused in southeast Saskatchewan, southwest Manitoba and west central Alberta. Current production is estimated to be in excess of 1,500 boe/d (50% oil, 50% natural gas). Its assets located in southeast Saskatchewan and southwest Manitoba produce approximately 600 bbls/d of light oil. Fairborne sees these assets as an opportunity to establish a new core operated area in a favorable royalty environment, providing premium netbacks. Fairborne believes there are significant development opportunities in Grand Banks’ Sinclair area light oil properties favorably located in the Williston Basin. The Sinclair field and area is producing a total of about 10,000 bbls/d, the majority from the Three Forks formation, rivaling Bakken production in Saskatchewan. The west central Alberta production is focused in the Tower Creek area which includes a 20% working interest in the Tower Creek Leduc Pool which has been producing at raw rates of over 20 MMcf/d since commencing production in June of 2007.

As at December 31, 2007 Grand Banks’ independent reserves evaluator had assigned 2.9 million boe of proved reserves (56% light oil, 44% natural gas) and 4.9 million boe of proven plus probable reserves (67% light oil, 33% natural gas) to Grand Banks’ properties.

#### Transaction Parameters

The parameters relating to the proposed transaction are set forth as follows:

1. Purchase price: approximately \$112-million (including assumed debt)
2. Value of Grand Banks undeveloped land based on Fairborne’s internal valuations (35,000 acres as at April 1, 2008): \$8.6 million
3. Cost per producing boe/d based on Q1/08 average production (net of undeveloped land): \$69,400
4. Cost per proved plus probable boe (net of undeveloped land): \$21.39
5. Current light oil netback from Grand Banks two main properties is in excess of \$ 90 Cdn. per bbl
6. Fairborne Calculated Accretion Multiples:
  - o Production per share: 11%
  - o 2P reserves per share: 10%
  - o Cashflow per share: 16%
  - o Net Asset Value: 2.5%

7. Over 30 low risk horizontal locations have been identified on Grand Banks lands in the Williston Basin, with the potential to increase that number with step-outs and infill wells

### **Board Recommendations**

The board of directors of Grand Banks has unanimously approved the proposed transaction. Grand Banks' board has concluded that the proposed transaction is in the best interests of its shareholders and has unanimously resolved to recommend that holders of Grand Banks Shares tender their Grand Banks Shares to the Offer. Grand Banks has agreed to pay to Fairborne a non-completion fee in the amount of \$4 million in certain circumstances if the Offer is not completed. Grand Banks has agreed to terminate any discussions with other parties and has agreed not to solicit or initiate discussions and negotiations with any third party with respect to alternate transactions involving Grand Banks and has granted Fairborne a right of first refusal to match any proposals Grand Banks may receive.

Holders of Grand Banks Shares (including all directors and officers of Grand Banks), holding an aggregate of approximately 20.1% of the outstanding Grand Banks Shares (24.3% on a fully diluted basis) have entered into lock-up agreements with Fairborne whereby they have agreed to tender their Grand Banks Shares to the Offer.

Rundle Energy Partners is acting as financial adviser to Grand Banks in respect of the Offer. Rundle has advised the board of directors of Grand Banks that they are of the opinion, as of the date hereof, that the consideration to be received by Grand Banks' shareholders pursuant to the Offer is fair, from a financial point of view, to Grand Banks' shareholders.

It is expected that the Offer will be mailed to Grand Banks Shareholders in early May and expire approximately 36 days thereafter.

### **Upon the closing of the proposed transaction, Fairborne estimates it will have the following corporate characteristics:**

High-quality assets: High netback, 85% operated, light oil and natural gas reserves and production focused in five core operating areas.

Long-life reserves: Greater than 55 mmbob (proved plus probable); reserve life index (RLI) of over 10 years.

High-quality production: Production rate in excess of 15,000 boe/d (25% light oil) with 11 wells awaiting completion and/or tie in after breakup.

Estimated net debt : \$190-million (\$290 million including convertible debenture).

Shares outstanding: 84.3 million (basic); 84.8 million (fully diluted).

Significant upside potential: Greater than 500 drilling locations and greater than 267,000 net acres of undeveloped land.

### **Sulphur Sale**

Fairborne is also pleased to announce it has entered into a letter of intent with Mosaic Fertilizer, the largest sulphur consumer in the US, for the sale of Fairborne's West Pembina sulphur inventory estimated

to be 200,000 metric tonnes. The proposed sale will generate significant incremental cash flow for Fairborne over an estimated 18 month period, expected to commence in July of 2008.

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*Certain information set forth in this document, contains forward-looking statements including management's assessment of future plans and operations of Fairborne Energy Ltd. ("Fairborne"), the inventory of drilling prospects and potential drilling locations, drilling plans, timing of the Offer and the effect of the acquisition on Fairborne. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fairborne's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, delays resulting from or the inability to obtain required regulatory approvals, inability to retain and delays in retaining drilling rigs and other services, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisition risks related to whether the Offer will be successful, including whether all conditions to the Offer will be satisfied, including receipt of all regulatory approvals and acceptance of the Offer by Shareholders of Grand Banks, risks related to the ability of Fairborne to realize the benefits of the acquisition of Grand Banks and ability to access sufficient capital from internal and external sources. The foregoing list is not exhaustive. Additional information on these and other risks that could affect Fairborne'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](http://www.sedar.com)), or at Fairborne's website ([www.fairborne-energy.com](http://www.fairborne-energy.com)). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Fairborne could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Fairborne will derive therefrom. Fairborne disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. BOE disclosure may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Fairborne is a growth oriented, oil and natural gas company operating exclusively in western Canada. Fairborne's shares are publicly traded on the Toronto Stock Exchange under the trading symbol "FEL".*