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Calgary, Alberta, May 28, 2008

**FAIRBORNE ENERGY LTD. ANNOUNCES CLOSING OF
BOUGHT DEAL PRIVATE PLACEMENT FINANCING**

Fairborne Energy Ltd. ("Fairborne" or the "Company") (TSX: FEL) is pleased to announce that it has closed its previously announced bought deal private placement financing of 2,000,000 common shares, issued on a flow through basis ("Flow-Through Common Shares") at an issue price of \$12.35 per Flow-Through Common Share for gross proceeds of \$24,700,000 (the "Offering"). The syndicate of underwriters was led by Cormark Securities Inc. and RBC Capital Markets and included Canaccord Capital Corporation, National Bank Financial Inc., FirstEnergy Capital Corp., CIBC World Markets Inc. and Dundee Securities Corp. (collectively, the "Underwriters"). Fairborne is also pleased to announce that the over-allotment option granted to the Underwriters to purchase an additional 300,000 Flow-Through Common Shares has been exercised in full for total gross proceeds of \$28,405,000.

Proceeds of the Offering will be used to fund Fairborne's exploration and development program and for working capital purposes. Fairborne has agreed to incur Canadian Exploration Expenses in the amount of the proceeds raised through the Offering to be renounced to the subscribers for the Flow-Through Common Shares effective on or before December 31, 2008.

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Reader Advisory:

This news release contains certain forward-looking statements, which include: (i) timing of the offering (ii) use of proceeds from the Offer, and; (iii) timing of renunciation of flow through expense. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Fairborne's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Fairborne's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits, including the amount of proceeds, that Fairborne will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Fairborne or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Fairborne does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.