



PRESS RELEASE

FAIRBORNE ENERGY LTD. ANNOUNCES INCREASE TO 2008 CAPITAL EXPENDITURE PROGRAM

CALGARY, ALBERTA, June 24, 2008 - Fairborne Energy Ltd. ("Fairborne") is pleased to announce an increase to its 2008 capital expenditure program to \$208 million from the previously announced level of \$170 million. The majority of this increase is attributed to the successful acquisition of Grand Banks Energy Corporation where Fairborne plans to spend an incremental \$30 - \$35 million of capital. The focus of the activity will be in the Sinclair area of Manitoba where Fairborne plans to spend approximately \$28 million drilling, completing and equipping 18 horizontal wells. An additional \$2 to \$3 million is being allocated to the optimization of facilities in the same Sinclair area with the remaining \$3.5 million targeted for land and seismic acquisitions.

The incremental capital expenditures are to be funded through operating cash flow.

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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 and the costs thereof, expenditures pursuant to the capital program and the results therefrom, and drilling rigs to be utilized and the timing thereof. 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 acquisitions 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), or at Fairborne's website (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".