



**FAIRBORNE ENERGY LTD.
BENEFITS FROM ALBERTA CARBON TRUNK LINE FUNDING**

Calgary, Alberta, November 24, 2009. Fairborne Energy Ltd. (“Fairborne” or the “Company”) (TSX – FEL) is pleased to announce that its enhanced oil recovery project in partnership with Enhance Energy Inc. (“Enhance”) has received two significant funding incentives.

Enhance has signed a letter of intent with the Government of Alberta that awards the Alberta Carbon Trunk Line (ACTL) project \$495 million in funding from the Carbon Capture and Storage program. The ACTL project was also awarded a total of \$63 million from the Federal Government’s ecoEnergy Technology initiative and the Clean Energy Fund.

The funding will help build the ACTL project, which initially consists of carbon capture near Fort Saskatchewan, a 240 kilometer pipeline that will transport carbon dioxide (CO₂), and CO₂ facilities necessary for a joint Fairborne and Enhance CO₂ flood project at Fairborne’s Clive Field in central Alberta. Enhance will operate the pipeline and capture facilities. Fairborne will operate the enhanced oil recovery project at Clive, an oilfield that was discovered in the early 1950’s and has produced 70 million barrels of light oil to date from an estimated 166 million barrels oil of discovered petroleum initially-in-place. The project is being designed to recover additional light oil from Nisku and Leduc reservoirs through CO₂ injection and extend the producing life of the Clive field by up to another 20 years. Internally evaluated best estimate of Fairborne's working interest contingent resources associated with the CO₂ flood is 24 million barrels of oil. Subject to the terms and conditions of a previously announced agreement with Enhance that includes payment of earning capital, Fairborne will retain 60% of its current working interest and contingent resources. The oil produced will pay royalties and taxes to both the Government of Alberta and Freehold land owners over the life of the project. The CO₂ will then be permanently stored deep underground within the depleted oil pools.

Fairborne has plans for additional enhanced oil recovery projects in the Clive area using CO₂ injection after the initial project is established.

Final funding agreements, internal and regulatory approvals are still required prior to implementation of the enhanced oil recovery project.

Fairborne is a natural gas and crude oil exploration, development and production company headquartered in Calgary, Alberta, Canada. Its common shares trade on the Toronto Stock Exchange under the symbol “FEL”.

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Advisories

Forward Looking Statements

This news release contains certain forward-looking statements, which include the Company's plans with respect to the project outlined at Fairborne's Clive Field, who will operate certain aspects of the project, the effect of the project including what may be recovered from the project and the effect on the life of the Clive Field and the Company's plans for additional projects. 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. Certain assumptions related to the foregoing are outlined above and also include that final funding agreements are entered into in connection with the project in accordance with the foregoing and all internal and regulatory approvals are obtained, that the project is adequately funded to be completed within the time schedule and the design parameters as proposed, including that the parties are able to secure additional financing that will be required to complete the project and that it performs as anticipated. Such risks, and uncertainties include, without limitation, risks associated with whether the foregoing assumptions are correct, 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.

Discovered Petroleum Initially-In-Place and Contingent Resources

Discovered petroleum initially-in-place ("DPIIP") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one of more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. The internal estimate of DPIIP in the Clive Field and the contingent resources associated with a CO₂ flood in the Clive D-2 (Nisku) and D-3A (Leduc) pools has an effective date of November 1, 2009. The internal estimates are based on results from a Clive CO₂ flood study conducted by Epic Consulting Services Ltd. Fairborne has a 94.04% interest in the Clive D-3A Unit No. 1 and a 98.87% interest in the Clive D-2 Unit No. 1. The contingent resources identified herein have been classified as contingent resources and not reserves due to economic uncertainty and the significant amount of new infrastructure required for the project that includes the CO₂ pipeline. The resource estimates provided herein are estimates only and the actual resources may be greater than or less than the estimates provided herein. There is no certainty that it will be commercially viable to produce any portion of the resources.