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For immediate release

March 31, 2004

**FAIRBORNE ENERGY ANNOUNCES CLOSING OF
WEST PEMBINA/BRAZEAU ACQUISITION**

Calgary, Alberta – Fairborne Energy Ltd. ("Fairborne") is pleased to announce that its previously announced acquisition in the West Pembina/Brazeau area of west central Alberta closed on March 31, 2004. The total consideration paid for these operated oil, natural gas and natural gas liquids ("NGL") assets was \$116 million subject to certain closing adjustments. The total proven and probable reserves acquired total 6.4 million BOE based on a report effective January 1, 2004 prepared by Sproule Associates Limited in accordance with SEC guidelines. The acquisition also includes 1) 96,600 net acres of undeveloped land in west central Alberta; 2) significant working interest in the West Pembina Sour Gas Processing Plant; and 3) field compression, sour gas gathering infrastructure and a central oil battery.

In connection with the closing of the Acquisition, each Subscription Receipt issued by Fairborne on February 27, 2004 is deemed to have been exercised into common shares of Fairborne on a one-for-one basis. Including the exchange of the Subscription Receipts for common shares, Fairborne has 38,525,935 common shares outstanding. Holders of Subscription Receipts may receive such certificates representing the common shares by surrendering certificates for such Subscription Receipts together with a duly completed and executed Surrender Form to Computershare Trust Company of Canada at its principal office at 600, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8.

Fairborne is a crude oil and natural gas 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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This news release shall not constitute an offer to sell or the solicitation of an offer to buy the Subscription Receipts or the common shares in any jurisdiction. Such securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom.

Forward Looking Statements - Certain information regarding Fairborne set forth in this document, including management's assessment of Fairborne's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Fairborne's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, geological and engineering risks, imprecision of reserve estimates, environmental risks, competition from other producers, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Fairborne's actual results, performance or achievement could differ materially

from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any 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.