

For Immediate Release – May 24, 2004

Fairborne Updates Activity and Corporate Presentation

Fairborne Energy Ltd. is pleased to announce that production volumes are currently 9,200 BOE/day consisting of 38.5 MMcf/d of natural gas and 2,800 Bbls/d of oil and NGL's.

Fairborne recently received approval from the AEUB for the first phase of Coal Bed Methane (the Natural Gas from Coal) development at its Clive property in the form of downspacing approval for a 9 section block. The Company has also submitted applications for downspacing on the remainder of lands at Clive (approximately 26 sections). Development drilling and pipeline construction on the 9 section block will commence this summer and result in 40 additional wells being drilled and brought on production prior to year end.

Activity in the Brazeau/West Pembina area has continued through breakup with the workover or recompletion of 2 Nisku wells, 3 Belly River oil wells and 2 Belly River gas wells. The Company is encouraged by these results and has added a number of new drilling locations for Belly River gas to its budget for the remainder of the year. Richard Walls, President and CEO stated "We continue to uncover opportunities on the 96,000 acres of undeveloped lands that we acquired in this area. The 2,000 sq km of 3-D seismic over these lands has defined new deep and shallow drilling opportunities".

Fairborne has also signed a purchase and sale agreement for the sale of approximately 450 BOE/day of production in southern Alberta that will close in June subject to certain terms and conditions. Fairborne anticipates production, net of dispositions of approximately 10,000 BOE/day by early fall.

The Company is also pleased to present its most recent corporate presentation, a copy of which can be obtained by visiting the website listed below.

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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Per barrel of oil equivalent ("BOE") amounts may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalent conversion method application at the burner tip and does not represent an economic value equivalency at the wellhead.

Forward Looking Statements - Certain information regarding Fairborne Energy Ltd. set forth in this document, including management's assessment of Fairborne Energy Ltd'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 Energy Ltd.'s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, 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 Energy Ltd.'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 Energy Ltd. will derive therefrom.