

Fairborne Energy and Case Resources Announce Agreement for Fairborne to Acquire Case

Calgary, Alberta
May 25, 2004

Fairborne Energy Ltd. ("Fairborne") and Case Resources Inc. ("Case") announce today that they have entered into an arrangement agreement pursuant to which Fairborne will acquire all of the issued and outstanding shares of Case on the basis of 0.0909 common shares of Fairborne for each issued and outstanding common share of Case (the "Arrangement").

After giving effect to the Arrangement, Fairborne will have approximately 44.5 million shares outstanding (49.9 million on a diluted basis). In connection with the Arrangement, Fairborne will assume approximately \$12 million in debt and working capital deficit including costs.

The Arrangement is subject to certain conditions including approval of Case shareholders at a special meeting to be held in July, 2004 and receipt of all required regulatory approvals and court approval and is expected to close in July, 2004.

The Arrangement has the unanimous support of the board of directors of each of Case and Fairborne. The board of directors of Case has unanimously approved the Arrangement and determined that the Arrangement is fair, from a financial point of view, to Case shareholders and has unanimously resolved to recommend that Case shareholders vote in favour of the Arrangement. Each of GMP Securities Ltd. and Sprott Securities Inc. acted as a financial advisor to Case. GMP Securities Ltd. has advised the board of directors of Case that, subject to its review of the formal documentation, it is of the opinion that the consideration to be received under the Arrangement by the shareholders of Case is fair from a financial point of view. Holders of more than 33% of the outstanding common shares of Case (including all directors and officers of Case) have entered into lock-up agreements with Fairborne agreeing to vote their shares in favour of the Arrangement. Peters & Co. Limited acted as financial advisor to Fairborne in connection with the Arrangement.

Case has agreed to cease any discussions with other parties, agreed not to solicit competing proposals and to give notice to Fairborne of any unsolicited competing proposals that may be received prior to closing. Fairborne has a right to match any proposals received. Case has agreed to pay to Fairborne a non-completion fee in the amount of \$3.0 million if the Arrangement is not completed in certain circumstances.

Case currently produces approximately 1,400 barrels of oil equivalent ("BOE") per day, consisting of 1,000 barrels per day of light oil and NGL's, 1.9 Mmcf per day of natural gas and 100 barrels per day of heavy oil. Fairborne currently produces approximately 9,200 BOE per day, consisting of 2,800 barrels per day of light oil and NGL's and 38.5 Mmcf per day of natural gas. The combined company will have proven reserves of 17.5 million BOE and proven plus probable reserves of 25.7 million BOE based on reserve reports prepared by Gilbert Laustsen Jung Associates Ltd. ("GLJ") for Case and GLJ and Sproule Associates Limited for Fairborne effective December 31, 2003 in accordance with NI-51-101.

Richard Walls, President and Chief Executive Officer of Fairborne stated that "Case's principal producing property at Haynes is located immediately to the south of Fairborne's Clive producing property and there are considerable operational enhancement and cost savings benefits anticipated as a result of consolidation of these properties. Moreover, the majority of Case's undeveloped lands are located within Fairborne's West Pembina/Brazeau operating area. The relative proximity of these assets will provide for

their immediate integration into Fairborne’s operating structure and expand our inventory of quality opportunities.”

Jeff Tonken, President and Chief Executive Officer of Case, stated that "The shares of Fairborne offer considerable upside to the shareholders of Case. With such a good geographic fit between Fairborne and Case, it makes good economic sense to combine the entities. I have full confidence in the management of Fairborne and expect that they will continue to do an excellent job for all of their shareholders".

For further information please contact:

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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. and Case Resources Inc (the “Companies”) set forth in this document, including management’s assessment of the Companies 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 the Companies 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. The Companies 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 the Companies will derive therefrom.