



PRESS RELEASE

FAIRBORNE PROVIDES OPERATIONAL UPDATE

CALGARY, ALBERTA, January 26, 2009 -- Fairborne Energy Ltd. ("Fairborne" or "the Company") is pleased to provide the following update for its capital program for the first half of 2009 and for its operations and production.

Harlech

Fairborne has completed drilling and production testing of the Harlech 13-12-45-15W5M (67% WI) horizontal well. This well spudded on September 30, 2008 targeting the Nordegg Formation and reached a total depth of 4,851m including 1,261m of horizontal section on January 5, 2009.

The well was stimulated over seven separate intervals using multistage horizontal fracturing technology and flow-tested in excess of 10 Mmcf/d. It is expected that this well will be tied into production facilities within the next 30 days.

The second well in the 2009 Nordegg program, 14-13-45-15W5 (50% WI), is currently running casing and is expected to be drilling the horizontal section in the Nordegg shortly. Completion operations are expected to commence in late February.

The third Nordegg horizontal well, located at 1-31-44-14W5 (67% WI), spudded on January 17, 2009 and is targeting a total measured depth of 4,500m.

With measured depths in excess of 4,500m, horizontal Nordegg wells at Harlech will receive significant incentives under the Alberta Government's New Royalty Framework.

Fairborne's first horizontal Nordegg well, 8-7-45-14W5, has produced approximately 1.0 bcfe since beginning production in mid September 2008. A dedicated compressor has recently been installed for the 8-7 well and the production rate is currently limited to the maximum output for this compressor of 5 mmcf/d. To date, this well has recovered approximately 80 percent of the original water used in the completion of this well.

Since September 2008, Fairborne has been actively acquiring crown land in the Harlech area. The Company has increased its gross land position by 11 percent to 159 sections and its net land position by 7 percent to 118 sections.

Wild River

Fairborne is in the final stages of drilling the up-dip well into the Wild River pool at 5-13-57-23W5 (80% WI). This well is drilled and cased to just above the anticipated depth of the Nisku reservoir, 12m structurally higher than the original discovery well and is awaiting a coiled tubing unit to drill the remainder of the well for a planned open-hole completion of the reservoir.

Production

Record fourth quarter 2008 production averaged 16,400 boe/d, a 27 percent increase over fourth quarter 2007. Fourth quarter production was 14 percent higher than third quarter 2008, the third consecutive quarter of strong growth. Current production is approximately 16,200 boe/d and the Company has 1,000 boe/d awaiting tie in.



First Half Activity

Fairborne's 2009 capital budget is set at \$162 million, but with the current weak commodity price environment, the Company has slowed its pace of capital investment for the first half of 2009. Fairborne currently plans to spend approximately 40 percent of its 2009 capital budget prior to breakup and will maintain flexibility to evaluate spending for the second half of 2009 in response to the commodity price environment at that time.

Fairborne plans to drill 15 Gross (10.4 net) wells during the first half of 2009. These include 6 wells (3.8 net) at Harlech, 3 wells (1.8 net) at Marlboro, 2 wells (2.0 net) at Sinclair, Manitoba and 4 wells (2.8 net) in other areas. With 6 rigs currently drilling wells at Harlech, Pine Creek, Sinclair and Wild River, the Company will have an active first half of 2009.

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

For further information contact:

Fairborne Energy Ltd.

Steven R. VanSickle
President and Chief Executive Officer
Tel: 403-290-7759 Fax: 403-290-7724
svansickle@fairborne-energy.com
www.fairborne-energy.com

Aaron G. Grandberg
Chief Financial Officer
Tel: 403-290-3217 Fax: 403-290-7724
agrandberg@fairborne-energy.com
www.fairborne-energy.com

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"), timing of drilling, completions and tie-ins of wells and 2009 budgeted capital expenditures 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.