

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and address of the Company.**

SHOAL POINT ENERGY LTD. (the "Company")  
65 Queen Street West  
Suite 501  
Toronto, Ontario M5H 2M5

2. **Date of Material Change.**

January 5, 2012

3. **News Release.**

A press release disclosing the material change was released on January 5, 2012 through the facilities of TheNewsWire.ca.

4. **Summary of Material Change.**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

5. **Full Description of Material Change.**

A full description of the material change is contained under Item 4.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102.**

The report is not being filed on a confidential basis.

7. **Omitted Information.**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

R. Brian Murray, Chief Financial Officer.

9. **Date of Report.**

This report is dated at Toronto, this 9<sup>th</sup> day of January, 2012.

**SHOAL POINT ENERGY LTD.**

Per: "R. Brian Murray" (Signed)  
R. Brian Murray, CFO

**SCHEDULE "A"**

## SHOAL POINT ENERGY LTD.

January 5, 2012

For Immediate Distribution  
CNSX: SHP

### Shoal Point Energy Ltd. Announces Commencement of Drilling Operations and Closing of Additional Financing.

Toronto, ON: Shoal Point Energy Ltd. (the “Company” or “Shoal Point”) (SHP on CNSX) announces that it has commenced drilling operations and has closed additional financing.

#### Operational Update

Shoal Point is pleased to announce that drilling operations have commenced at the Shoal Point 3K39z well, at Shoal Point, Port au Port Bay, Newfoundland. The borehole has been drilled to a measured depth of 1745 metres, and is cased to a measured depth of 1711 metres. Liquid hydrocarbon shows were recorded over the entire gross section of the well below about 700 metres, primarily in the form of gas chromatography/mud gas indicators, blue-white fluorescence in rock cuttings cut in solvent, oil-stained core, and petrophysics.

The current program is scheduled to set a whipstock, sidetrack, and deepen the current borehole to near the base of the Ordovician Green Point Formation, the primary target of the current exploration program. The evaluation program will involve the flow testing of up to five zones, including (1) a lower **open-hole test** in new hole, (2) a cased-hole extended **formation leak-off (injection) test**, and (3) up to three **cased-hole perforation flow tests**.

The lower **open-hole test** is designed to assess the natural flow properties and hydrocarbon saturation of newly-drilled (un-invaded) formation near the base of the well. The **leak-off test** is designed to assess the matrix rock properties and hydrocarbon saturation of the formation, as identified by NuTech, our petrophysical consultants, so that programs for stimulation of the Green Point Formation may be designed in the future. The **cased-hole perforation flow tests** are designed to assess the hydrocarbon saturation and the unstimulated natural flow potential of the formation which arises from a high concentration of bedding-parallel natural fractures, as interpreted by NuTech and the Company’s geological team from logs, core and gas chromatography data. One of these fractured zones indicated potential permeability on a short open-hole Closed Chamber Test carried out during the initial drilling of the well, as reported by the company on June 24, 2011.

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The current stage of operations is expected to take between nine and twelve weeks to complete, depending on the final number of cased-hole tests conducted.

### Financing

The Company also announces that it has closed a private placement financing (the “Offering”) for aggregate gross proceeds of \$2,304,580 by issuing 8,185,750 units (“Units”) at a price of \$0.16 per Unit and 5,526,999 flow-through units (“FT Units”) at a price of \$0.18 per FT Unit.

Each Unit consists of one common share (a “Common Share”) in the capital of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.30 for a period of 18 months. Each FT Unit consists of one Common Share to be issued on a “flow-through” basis and one-half of one Warrant.

In connection with the Offering, the Company has paid an aggregate of \$93,903 in cash commissions and has issued 557,895 broker warrants (“Broker Warrants”) to certain parties for introducing purchasers to the Company. Each Broker Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.16 for a period of 18 months.

Proceeds of the Offering will be used to fund exploration expenditures (within the meaning of the *Income Tax Act* (Canada)) and to fund general operations.

The Company also announces that it has issued a \$300,000 convertible promissory note (the “Note”) to an arms-length lender (the “Holder”) in connection with a \$300,000 loan provided to the Company by the Holder. The Note provides that the principal shall bear interest at the prime rate and the principal and interest shall become due and be payable by Shoal Point on demand by the Holder. The Note further provides that the Holder may convert the whole or any part of the principal and accrued interest owing into Common Shares at a price of \$0.20 per Common Share.

### **About Shoal Point Energy Ltd.**

Shoal Point Energy Ltd is a public company earning a 100% interest in Exploration Licence #1070 in the Province of Newfoundland comprising approximately 150,000 acres of oil-in-shale. In addition, Shoal Point has an agreement to earn a net 80% interest in the 67,298 acres of Green Point Shale (shallow rights) of EL 1120 which is owned by Ptarmigan Energy Inc.

Shoal Point also has a 6 - 14% interest in a gas prospect in the Province of New Brunswick.

Shoal Point currently has 239,789,576 common shares issued and outstanding.

Visit our website at [www.shoalpointenergy.com](http://www.shoalpointenergy.com)

**For further information, please contact:**

**Suite 501, 65 Queen Street West  
Toronto, ON M5H 2M5**

David Black - 416-637-2181 ext 308

R. Brian Murray, CFO – 416-985-7810

*Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. The forward looking statements contained in this press release are made as of the date hereof and Shoal Point Energy Ltd. undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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