

## **SHOAL POINT ENERGY LTD.**

**March 23, 2012**

**For Immediate Distribution  
CNSX: SHP**

### **Shoal Point Energy Completes Purchase of the 100% Working Interest in EL 1097R from NWest Energy Corp. and Provides Update on the 3K-39 Drilling and Testing**

Toronto, ON: Shoal Point Energy Ltd. (the “Company” or “Shoal Point”) (SHP on CNSX) announces that it has completed the Second Transfer as provided for in its agreement with NWest Energy Corp. (“NWest”, NWN: TSXV). On January 16, 2012, Shoal Point acquired an initial fifty percent (50%) working interest in EL 1097R. The second transfer of the remaining 50% interest required the approval of the NWest shareholders and this was received on Wednesday, March 21, 2012. In exchange for the transfer of this final 50% interest, Shoal Point has issued to NWest 1,000,000 common shares and 1,000,000 common share purchase warrants where each warrant entitles the holder to acquire one additional common share at a price of \$0.39 for a two year period. The shares and warrants are subject to a four-month hold period.

Shoal Point is further obligated to issue to NWest at the time of spudding a well on EL 1097R the following additional consideration:

- 4 million common shares and 4 million common share purchase warrants where each warrant can be used to purchase one additional common share for two years at the 20 day Volume Weighted Average Price plus twenty percent (20%).
- A two percent (2%) gross overriding royalty (“GORR”) on production from the property. Shoal Point shall have the right to purchase 0.75% of the GORR for two million dollars (\$2,000,000) at any time after the date of grant. After the buy back of the .075% interest, NWest will be left with a net 1.25% GORR.

With the closing of this transaction, the Company now holds rights to approximately 720,000 gross acres in the western Newfoundland offshore, comprising 500,000 acres on EL 1097R, 70,000 acres on EL 1120, and 150,000 acres on EL 1070, with a net interest of 707,000 acres, or 98% of the gross interest.

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

## Operations Update:

Operations have been delayed by a stuck drillstring, and the Company has been working methodically and diligently to free the drillstring, following industry best practices. Drilling and testing are expected to recommence in a week.

George Langdon, President, states that “the Company continues to be very excited about the results, as the approximately 120 metres of open section drilled below the whipstock shows character consistent with earlier drilling of the same section in the parallel 3K-39 borehole, with excellent light oil shows indicated by staining, fluorescence, and liquids-rich mud gas chromatography.”

Shoal Point Energy holds a 100% working interest in the Shoal Point 3K-39 cased wellbore as well as 100% of the 3K-39Z sidetracked wellbore.

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

Shoal Point Energy Ltd is a public company earning a 100% interest in the shallow rights 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 70,000 acres of Green Point Shale (shallow rights) of EL 1120 which is owned by Ptarmigan Energy Inc and is also earning a 100% working interest in all rights in EL 1079R with a 2% gross overriding interest, for a total gross acreage in the Green Point Shale of approximately 720,000 acres.

Shoal Point currently has 263,950,904 common shares issued and outstanding.

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

**For further information, please contact:**

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.*

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