

SHOAL POINT ENERGY LTD.

August 16, 2012

For Immediate Distribution

CNSX: SHP

Shoal Point Announces Plans to Drill and Stimulate a Sidetrack on Well 3K-39 and Plans for 2 Additional Wells in 2013

Toronto, ON: Shoal Point Energy Ltd. (the “Company” or “Shoal Point”) (SHP on CNSX) announces that it is proceeding with plans to drill a sidetrack from well Shoal Point 3K-39, commencing at a depth of approximately 500 metres, on its EL 1070 property in western Newfoundland. Designated 3K39Y, the sidetrack is planned to reach a true vertical depth of 1500 metres, and is projected to bottom in the Green Point shale formation, approximately 800 metres south of the 3K39 bottomhole location. The large-diameter sidetrack well will be deviated at a significantly lower angle than previous wells, in order to minimize drilling, logging and testing concerns in the fractured shales, which were challenges encountered previously in the 3K39 borehole. The new well is expected to test the hydrocarbon reservoir potential under more favourable (undamaged) conditions.

The Company has recently met with the Regulatory Authorities that have confirmed that the Company may include hydraulic fracturing as a method of stimulation of the Green Point Shale formation. This method of stimulation, subject to regulatory approval, will be included as part of the continuation of the drilling and testing program at the Shoal Point 3K39 well site

In addition, the Company continues its planning of two wells to be drilled in 2013 on its adjoining lands. The first well proposed at Bottle Cove (town of Littleport) will be deviated slightly offshore and will drill to an estimated vertical depth of 2350 metres. This well will be the first test of the Green Point shale on EL 1120, and will earn Shoal Point an 80% working interest in a 67,298 acre portion of the license, as reported earlier.

The second onshore-to-offshore well is being planned for the town of Sally’s Cove to test the Green Point shale formation on EL 1097R, where the Company holds a 100% working interest in roughly 502,000 acres.

Drilling operations will be followed by stimulation and testing operations, subject to regulatory approvals. The Company plans to optimize the mobilization of drilling, stimulation and testing equipment to allow maximum cost efficiency by drilling and testing multiple wells during the same program.

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All operations described herein are subject to final approvals from the regulatory authority.

Joint Venture Data Room

The Company has established a physical Data Room in Calgary, Alberta, Canada to facilitate the identification of a Joint Venture partner(s) for its west Newfoundland operations. The room will make available to interested parties all the Company's proprietary technical and other commercial data collected during its recent drilling campaigns, in both hard-copy and virtual forms, and will include work-station capability for related seismic data.

About Shoal Point Energy Ltd.

Shoal Point Energy Ltd is a public company with a 100% interest in the shallow rights of 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 Corp. It also has a 100% working interest in the 502,000 acres in EL 1097R, subject to a 2% gross overriding royalty. The total potential gross acreage in the Green Point Shale is approximately 720,000 acres.

Shoal Point currently has 272,709,463 Common Shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

View Shoal Point Energy's recent management interviews at:
www.shoalpointenergy.com/media.php

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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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