

May 22, 2013

To Shareholders of Shoal Point Energy Ltd.

Dear Shareholders.

Operational Update

In January 2013 the Company ('SHP') announced that it had completed a farm-out agreement with Black Spruce Exploration Corp. ('BSE'), under which BSE undertook to drill and test a number of wells to earn an interest in SHP's exploration licences offshore West Newfoundland.

Over the past few months BSE has been taking the necessary steps to assume the role of operator, and is making encouraging progress in advancing the status of this exciting project. BSE has obtained an approved Operating Licence and Proof of Financial Responsibility from the regulatory authorities and is working with the authorities to finalize the process for approval for operations ('OA').

The first well of the drilling programme will be drilled on licence EL-1070. BSE is applying to the offshore regulator ('C-NLOPB') to drill a new well identified as 4K-39 well on EL-1070, which will be drilled with a rig acquired specifically to test the Green Point Shale and which will maximize the opportunity for obtaining geological and test data. BSE have also filed a Project Description for a New Environmental Assessment for any future wells post the drilling of 4K-39 and is preparing for the submission of the necessary provincial applications that need to be approved prior to the start of drilling operations.

The drilling rig, which was acquired to support the drilling campaign, is currently being modified to satisfy regulatory and operational requirements and is scheduled for delivery to Newfoundland prior to the regulatory approvals being obtained.

Board and Management of SHP Strengthened

As a consequence of the transition of SHP to its new role as a non-operating company it has been agreed to make changes to the Board and management of SHP, which are aimed to improve our operating efficiency and reduce costs.

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We have today mailed materials for a shareholders meeting to be held on 28th June 2013 in Toronto. At that meeting Brian Murray, Director and Chief Financial Officer, and Don Sheldon, Director will not be seeking re-election to the Board. George Langdon, President and CEO has also agreed to step aside at that time, but he will continue to provide his invaluable geological expertise to the joint venture and remains a significant shareholder in the Company.

It is proposed that the vacancies to the Board will be filled by Mark Jarvis and Eric Schneider. Mark Jarvis was formerly Director responsible for Corporate Finance at Ultra Petroleum, as it developed a significant unconventional gas deposit to the benefit of its shareholders, and is CEO and President of Hard Creek Nickel Corp. Eric Schneider is a Partner in the law firm Miller Thomson LLP of Waterloo, Ontario, and was formerly Vice-President, Secretary and General Counsel with Schneider Corporation. Immediately following the Annual Meeting Mark Jarvis will be appointed President and CEO of SHP. We believe that these two appointments will add considerable strength and expertise to the Board as the Company moves to the next stage of its development.

I would also like to thank our departing colleagues for their outstanding contribution to the company during the past several years.

The Green Point Shale remains one of the most exciting undeveloped resource plays in North America and we are looking forward with keen anticipation to the results of the forthcoming drilling programme.

Yours truly,

“Norman Davidson Kelly”

Chairman

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