

December 12, 2013

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C-NLOPB rejects Shoal Point application to extend part of EL 1097R

Mark Jarvis, CEO of Shoal Point Energy Ltd., today announced that the Canada Newfoundland Labrador Offshore Petroleum Board (C-NLOPB) had on December 5, 2013 rejected the Company's application to extend part of Exploration Licence 1097R (EL 1097R) until January 15, 2015. As a result, the Company will lose the licence, plus its \$1 million drilling deposit, on January 15, 2014.

The drilling deposit was made to the C-NLOPB in January, 2013 to obtain an extension of the term during which it was allowed to drill exploration wells on EL 1097R by one year, until January 15, 2014, on the assumption that continued exploration and development would be allowed.

On April 4, 2013, C-NLOPB stated that it was not in a position to finalize the Scoping Document for the Environmental Assessment that would cover the proposed activities on EL 1097R until the Newfoundland and Labrador Department of Environment and Conservation review process had advanced further.

Shoal Point submitted to C-NLOPB that it would be inequitable to lose EL 1097R and the \$1 million deposit due to a change in the regulatory environment beyond its control.

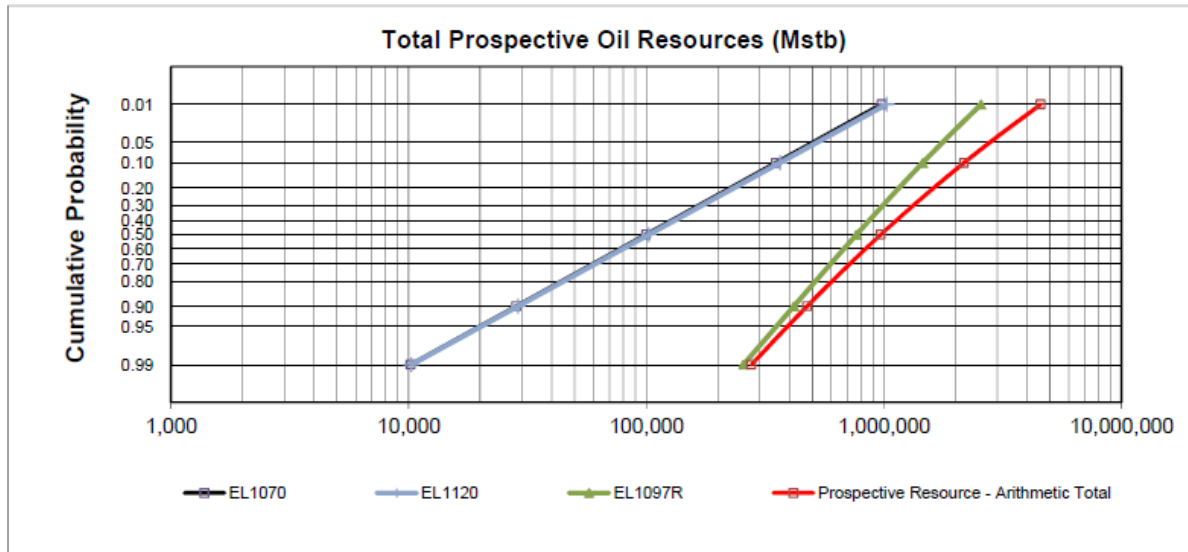
Shoal Point proposed in its application for extension that it would voluntarily surrender more than half of EL 1097R, being the portion contiguous to and north of Gros Morne National Park, if C-NLOPB would extend the licence period on the remainder of EL 1097R for one year. Shoal Point further proposed to advance an additional \$250,000 drilling deposit. This proposal was rejected by C-NLOPB.

"We are disappointed by this decision," said Mr. Jarvis. "We feel that our proposal recognized and respected the importance of Gros Morne National Park, a UNESCO world heritage site. Our proposal balanced a desire to protect this unique and beautiful park with a desire to safely and responsibly develop a much needed economic opportunity on the West Coast of Newfoundland."

Shoal Point currently has three contiguous exploration licences off the West Coast of Newfoundland which total approximately 720,000 acres. Of this total, EL 1097R comprises approximately 499,000 acres. On January 15, 2014, the Company's total exploration acreage will be reduced to approximately 220,000 acres contained in EL 1070 and EL 1120.

The impact on Shoal Point's prospective resources will be material. The following table is from an NI 51-101 compliant resource study by AJM Deloitte, entitled "Shoal Point Energy Ltd. Resource study, West Coast, Newfoundland, Exploration Licences 1070, 1120 and 1097R" with an effective date of March 31, 2012, available in full on SEDAR and on Shoal Point's web site www.shoalpointenergy.com.

			Low	Best	High
EL1070	Green Point Shale	Mstb	28,401	99,809	350,753
EL1120	Green Point Shale	Mstb	28,886	102,702	365,157
EL1097R	Green Point Shale	Mstb	418,122	766,044	1,456,179
Prospective Resources		Mstb	475,409	968,555	2,172,089



Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

Using the Best (middle) case, Shoal Point’s Prospective Oil Resources will be reduced from 968,555,000 barrels on three licences to 202,511,000 barrels on the two remaining exploration licences.

“We still have a very large prospective resource to explore and develop in our remaining exploration licences,” said Mr. Jarvis. “We believe that the majority of people in this area want economic opportunity, as long as they are satisfied that operations are safe and respect the environment.”

This news release refers to an NI 51-101 compliant resource study dated March 31, 2012 by AJM Deloitte which summarizes estimates of Petroleum Initially in Place (PIIP) and prospective resources. Readers are cautioned that the estimate of remaining recoverable resources (un-risked) includes prospective resources that have not been adjusted for risk based on the chance of discovery or chance of development. There is no certainty that any portion of the resources will be discovered. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development. Actual recovery is likely to be less and may be substantially less or zero.

This news release contains “forward looking statements”. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company’s plans to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Known risks include, but are not limited to, financing risks, commodity price risks, regulatory risks, scheduling risks and engineering risks. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the company’s continuous disclosure filings as found at www.sedar.com.

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