

SHOAL POINT ENERGY LTD.

February 22, 2011

For Immediate Distribution
CNSX: SHP

Shoal Point Closes \$3,570,000 Financing And Update on Offshore Drilling on EL 1070

Toronto, ON: Shoal Point Energy Ltd. (“Shoal Point”) (SHP on CNSX) announces that it has closed the first tranche of a financing of common share units for the purpose of continuing exploration on EL 1070, for the acquisition of an interest in EL 1120, as previously announced by press release on February 10, 2011, and for general working capital purposes.

This financing is the first tranche of a financing expected to close by the end of February, 2011. The \$3,570,000 was comprised of common share units at \$0.35 where each unit includes a common share at \$0.35 and a ½ common share purchase warrant where a full warrant entitles the holder to acquire an additional common share at a price of \$0.50 for 18 months.

The balance of the financing will also include flow through units where each unit is comprised of a flow through common share at \$0.40 and a ½ common share purchase warrant where a full warrant entitles the holder to acquire an additional common share at \$0.55 for 18 months.

In connection with this financing, the Company is paying cash fees to registered agents equal to 6% of the total proceeds and broker warrants equal to 6% of the total number of units issued. Each broker warrant will entitle the holder to acquire an additional common share at a price of \$0.35 (or \$0.40 for flow through units) for a period of 18 months.

Operations Update:

Shoal Point also announces that the 3K-39 well is drilling in the offshore lands covered under EL 1070, and the operation is currently drilling ahead at 742 metres toward core point #1. Operations including drilling and evaluation are expected to take three weeks to complete.

Other Business:

Shoal Point announces that it has granted, pursuant to the terms of its stock option plan, an additional 1.2 million stock options at a price of \$0.40 to officers, directors and consultants of the Company for a term of 5 years.

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

About Shoal Point Energy Ltd.

Shoal Point Energy Ltd is a public company earning an 80.75% interest in Exploration Licence #1070 in the Province of Newfoundland comprising approximately 148,000 acres of oil-in-shale. In addition, as disclosed in a press release dated February 10, 2011, Shoal Point has signed a letter of intent to earn an 80% interest in the Green Point Shale (shallow rights) of EL 1120 which is owned by Ptarmigan Energy Inc. The agreement with Ptarmigan is subject to a final definitive agreement which is currently being prepared.

Shoal Point Energy Ltd's partner in EL 1070 is Canadian Imperial Venture Corp. ("CIVC")(CQV.V on TSX Venture) as to 19.25%. In addition, CIVC has the right to participate in EL 1120 for up to 40% of Shoal Point's interest pursuant to an agreement regarding Areas of Mutual Interest.

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

Shoal Point currently has 148,110,330 common shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

For further information, please contact:

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**