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For Immediate Distribution
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SHOAL POINT ENERGY LTD. MOVES TOWARD COMPLETION OF WELL 3K-39

Toronto, ON: Shoal Point Energy Ltd. (“Shoal Point”) is pleased to provide the following operational update in relation to its well 3K-39 which is currently evaluating the hydrocarbon potential of the Green Point Shale on Exploration License 1070 offshore Newfoundland.

The operation is proceeding to run casing to 1725 meters, and is planning, subject to CNLOPB approval, to run a cased hole test over the open lower carbonate-rich section of the well to the total depth of 1745 metres, from which promising hydrocarbon indications were encountered during drilling and logging operations. This lower section of the Green Point is correlated with a zone which, in the 1999 PCP et al. Shoal Point K39 well, showed oil on logs by Nutech analysis and flowed hydrocarbons in a closed chamber test, and which, in the Golden Eagle Shoal Point #2 well of 1965, displayed live oil shows in core.

Thereafter it is planned, over the next few weeks and subject to discussion and approval by the regulator CNLOPB, to perforate and test a series of fractured zones (between approximately 1325 and 750 meters) which were identified from log analysis and core data, and which, from a series of open-hole closed chamber drill stem tests, indicate significant natural permeability. As reported earlier, one of these tests flowed back drilling fluids over a short (9 minute) period at a rate which can be extrapolated to approximately 2,700 barrels per day, with a formation pressure of 8856 kPa. These results suggest that the well may be capable of producing formation fluids without artificial stimulation.

The company has received a preliminary report from its technical advisor, NuTech Energy Alliance, of Houston, Texas (www.nutechenergy.com) on the hydrocarbon potential of the well. Over a gross Green Point Shale interval of 1325 meters, more than 170 meters of net oil-in-shale pay were identified, including one 25 metre section with effective porosity ranging between 10 and 16%, with oil saturations generally between 50 and 86%. A significant thickness of lower Green Point Formation lies beneath the current depth of 1745 metres. In addition, core has been shipped to Ingrain Digital Rock Physics Lab in Houston for 3D imaging and analysis; these will be incorporated in a revised analysis of the hydrocarbon potential of this well and the block as a whole. A Report (51-101) on the resource potential of the block will be prepared by a competent third party as soon as the data from drilling operations has been acquired.

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

George Langdon, President of Shoal Point Energy commented “*The results from the well so far have indicated that EL 1070 contains a unique and attractive combination of unconventional (oil-in-shale)reservoirs, with highly fractured reservoir sections which should be capable of production without stimulation. The testing programme is designed to provide sufficient data to establish the commerciality of the play*”.

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 150,000 acres of oil-in-shale and the right to earn a net 48% interest in approximately 67,285 acres in Exploration Licence #1120.

Shoal Point’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.

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

Shoal Point currently has 169,729,594 common shares issued and outstanding.

Visit our website at **www.shoalpointenergy.com**

For further information, please contact:

David Black - 416-637-2181 ext 308
Brian Murray - 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**