

SHOAL POINT ENERGY LTD.

July 26, 2011

For Immediate Distribution
CNSX: SHP

Shoal Point Announces Casing of Well 3K-39 And Completion of Financing for \$2,035,250

Toronto, ON: Shoal Point Energy Ltd. (“Shoal Point”) (SHP on CNSX) announces that casing has now been run to a depth of 1711 metres in the 3K-39 well and is being cemented into place. Once this operation is completed (expected to be in the next few days), the current rig in use will be released and a service rig will be brought in to complete the planned testing program.

The next stage of testing, subject to applicable regulatory approvals, will include a test over the open lower carbonate-rich section of the well to the total depth of 1745 metres, from which promising hydrocarbons were encountered during drilling and logging operations. Thereafter it is planned to perforate the casing and test a series of fractured shale zones (between 1325 and 750 metres) 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. These planned tests are expected to begin in mid-August and take up to 3 weeks to complete.

At the same time, the Company is waiting for the results of the core analysis being undertaken by Ingrain Digital Rock Physics Lab in Houston, Texas. These results are expected to complement the log analysis carried out by NuTech Energy Alliance. In addition, discussions have commenced with a major petroleum consulting company to prepare an initial resource estimate and 51-101 report.

Financing:

Shoal Point also announces that it has closed the second tranche of a financing of common share units for the purpose of completion and testing Well 3K-39 on EL 1070. The total amount raised from both tranches of this financing is \$2,035,250.

The first tranche of the financing for \$535,500 was comprised of 1,785,000 common share units at \$0.30 where each unit includes a common share at \$0.30 and a ½ common share purchase warrant where a full warrant entitles the holder to acquire an additional common share at a price of \$0.40 for 18 months. The second tranche of financing for \$1,499,750 included 4,285,000 flow through units where each unit is comprised of a flow through 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 \$0.40 for 18 months.

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

In connection with the total financing of \$2,035,250, the Company is paying cash fees totalling \$122,115 to registered agents and issuing 364,200 broker warrants. Each broker warrant will entitle the holder to acquire an additional common share at a price of \$0.30 for a period of 18 months.

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, Shoal Point has an agreement to earn a net 48% interest in the 67,825 acres of Green Point Shale (shallow rights) of EL 1120 which is owned by Ptarmigan Energy Corp.

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.

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

Shoal Point currently has 175,876,812 common shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

For further information, please contact:

David Black - 416-637-2181 ext 308

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**