

EARLY WARNING REPORT
NATIONAL INSTRUMENT 62-103

Item 1. Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares (“**Common Shares**”) of Shoal Point Energy Ltd. (“**Shoal**”). Shoal’s head office is located at:

Suite 203, 700 West Pender Street, Vancouver, BC V6C 1G8

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Acquisition (as defined below) was completed pursuant to a rights offering (the “**Rights Offering**”) of Shoal which closed on March 13, 2018 and took place on the Canadian Securities Exchange.

Item 2. Identity of the Acquiror

2.1 State the name and address of the acquiror.

Mark Jarvis
#5-620 W 15th Street North Vancouver, BC V7M 1S9

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The Rights Offering closed on March 13, 2018. Mark Jarvis participated in the Rights Offering pursuant to which he acquired beneficial ownership of and control over 5,100,112 Common Shares (the “**Acquisition**”).

2.3 State the names of any joint actors.

Frioud Holdings Ltd. (“**Frioud Holdings**”) a company controlled by Mr. Jarvis.

Item 3. Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s security holding percentage in the class of securities.

Mr. Jarvis and Frioud Holdings (collectively, the “**Acquiror**”), participated in the Rights Offering pursuant to which they acquired direct or beneficial ownership of an aggregate of 5,100,112 Common Shares. Mr. Jarvis also acted as a standby purchaser to the Rights Offering pursuant to a standby purchase agreement entered into by Shoal, Jarvis and certain other

individuals and in consideration for providing a standby commitment Mr. Jarvis received 750,000 Common Share purchase warrants.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

The Acquiror acquired beneficial ownership of and control over 5,100,112 Common Shares which triggered the requirement to file this report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not Applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Rights Offering, the Acquiror beneficially owned or controlled, directly or indirectly, in aggregate, 807,520 Common Shares representing 3.7% of the 21,770,810 then issued and outstanding Common Shares, 320,000 options to purchase Common Shares and 400,000 Common Share purchase warrants.

Following completion of the Acquisition, the Acquiror owns, directly or indirectly, 5,907,632 Common Shares representing 13.57% of the 43,541,620 issued and outstanding Common Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Acquiror owns, directly or indirectly, 5,907,632 Common Shares representing 13.57% of the 43,541,620 issued and outstanding Common Shares

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not Applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not Applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.

Not Applicable.

- 3.7** If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not Applicable.

- 3.8** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not Applicable.

Item 4. Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Common Shares were purchased pursuant to the Rights Offering at a price of \$0.05 per Common Share for an aggregate purchase price of \$255,005.60.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 4.1 above.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not Applicable.

Item 5. Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Common Shares were acquired by the Acquiror in connection with the Rights Offering and for business related investment purposes. The Acquiror currently does not have any definitive plans or future intentions in respect of the acquisition of additional securities of Shoal or which relate to Shoal's current business or corporate structure.

Item 6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Details of the Acquisition and the Rights Offering are set forth in press releases of Shoal and the Acquiror copies of which are available at www.sedar.com under Shoal's profile.

Item 7. Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not Applicable.

Item 8. Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not Applicable.

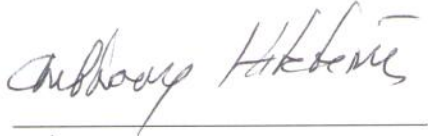
Item 9. Certification

The undersigned hereby certify to the best of their knowledge, information and belief, that the statements made in this report are true and complete in every respect.

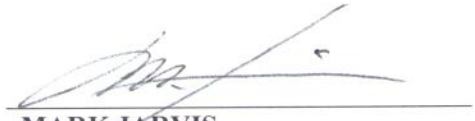
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This report must be signed by each person on whose behalf the report is filed or his/her authorized representative.

DATED this 13th day of March, 2018.



witness



MARK JARVIS