Shoal Point
Energy Ltd.

FORM 51-101F1

SHOAL POINT ENERGY LTD.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking statements. These statements relate to future events or Shoal Point Energy's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those forward-looking statements. Shoal Point Energy believes that these expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this document should not be unduly relied upon. These statements speak only as of the date of this document.

CONVENTIONS

Unless otherwise indicated, references herein to "$" or dollars are to Canadian dollars. The abbreviation "MM" stands for million.

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls oil	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

FORM 51-101F1
SHOAL POINT ENERGY LTD.
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

PART 1 – DATE OF STATEMENT

1.1 Preparation Date

This statement was prepared on May 30 2024

1.2 Effective Date

This statement covers the reporting period from February 1, 2023 to January 31, 2024, hence the effective date is January 31, 2024.

PART 2 – DISCLOSURE OF RESERVES DATA

National Instrument 51-101-Standards of Disclosure for Oil and Gas Activities ("NI 51-101") requires that reporting issuers engaged in "oil and gas activities" as defined in NI 51-101 file annually a "Statement of Reserves Data and Other Information" in Form 51-101F1 and a "Report of Management and Directors" in Form 51-101F3.

As at January 31, 2024, Shoal Point Energy Ltd. (the Company) had no oil and gas reserves. The Company did not engage an *independent reserves evaluator* to evaluate reserves and associated future net revenue or complete Form 51-101F2 as part of this statement.

PART 3 – PRICING ASSUMPTIONS

Not applicable.

PART 4 – CHANGES IN RESERVES AND FUTURE NET REVENUE

Not applicable.

PART 5 – ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Not applicable.

PART 6 – OTHER OIL AND GAS INFORMATION

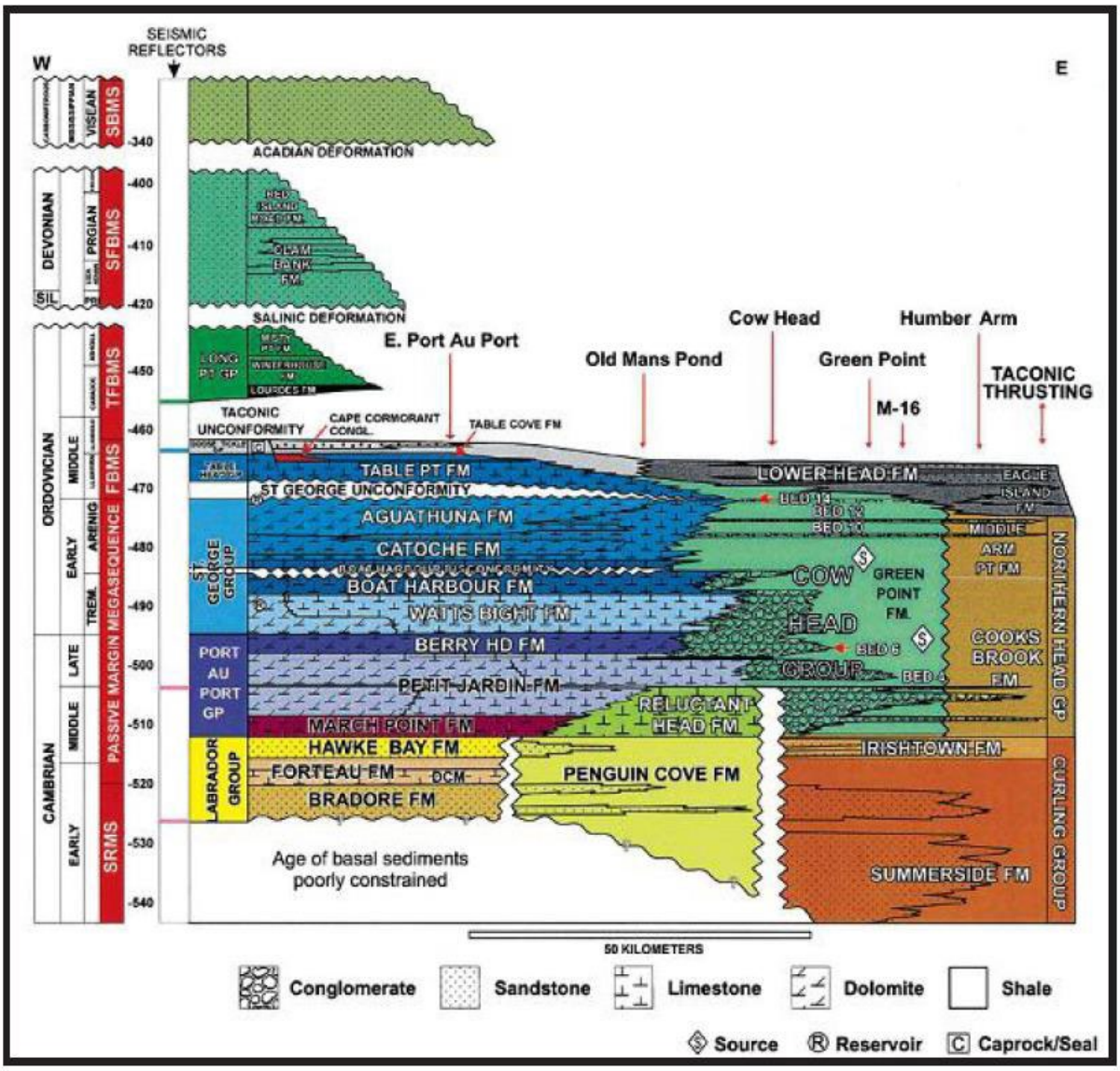
6.1 Oil and Gas Properties and Wells

West Coast Newfoundland

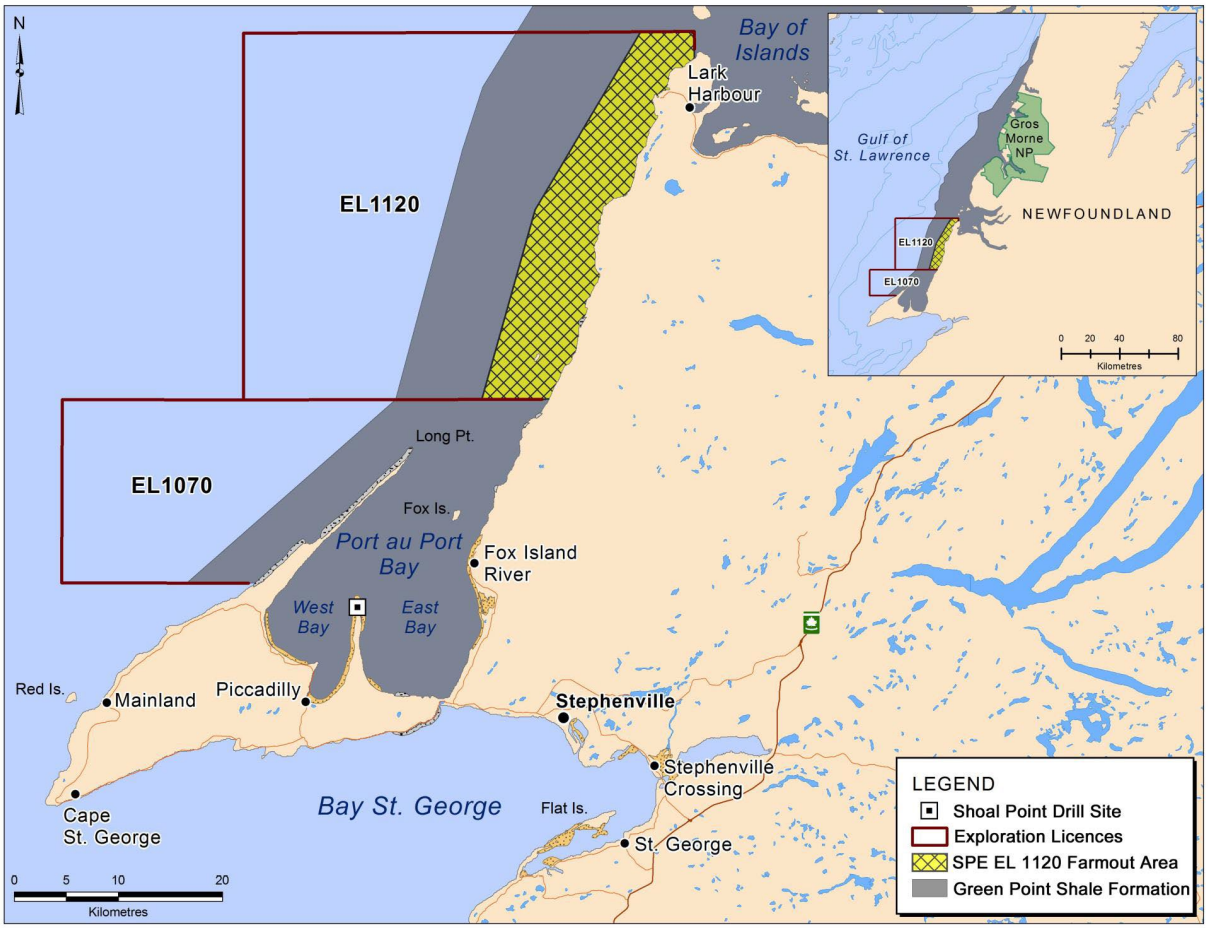
The Corporation's exploration activities in Newfoundland have been suspended since November of 2013, when a temporary moratorium on hydraulic fracturing was announced by the Newfoundland and Labrador government.

In 2014 the Company received a report by Morningstar Consultants of Austin, Texas, which estimated resources on two Exploration Licences. EL 1070 is controlled by Shoal Point and is still classified as active by the C-NLOPB. Shoal Point had certain earn-in rights to EL 1120, but that tenure was ultimately revoked due to lack of activity due to the fracking ban.

The Morningstar Report, summarized below, covers both licences and does not break out resources solely for EL 1070.



SEISMIC REFLECTORS
W
E
ACADIAN DEFORMATION
SALINIC DEFORMATION
E. Port Au Port
Old Mans Pond
Cow Head
Green Point
Humber Arm
M-16
TACONIC THRUSTING
TACONIC UNCONFORMITY
CAPE CORMORANT CONGL.
TABLE COVE FM
TABLE PT FM
ST GEORGE UNCONFORMITY
AGUATHUNA FM
CATOCHE FM
BOAT HARBOUR FM
WATTS BIGHT FM
BERRY HD FM
PETIT JARDIN FM
MARCH POINT FM
HAWKE BAY FM
FORTEAU FM
DCM
BRADORE FM
PENGUIN COVE FM
RELUCTANT HEAD FM
LOWER HEAD FM
COW HEAD GROUP
GREEN POINT FM
COOKS BROOK FM
IRISHTOWN FM
SUMMERSIDE FM
MIDDLE ARM PT FM
NORTHERN HEAD GP
CURLING GROUP
ST GEORGE GROUP
PORT AU PORT GP
LABRADOR GROUP
Age of basal sediments poorly constrained
50 KILOMETERS
Conglomerate
Sandstone
Limestone
Dolomite
Shale
Source
Reservoir
Caprock/Seal



The following table contains estimates of Total Undiscovered Petroleum Initially in Place (PIIP) and estimates of Prospective (Recoverable) Resources contained in the Humber Arm Allochthon formation within the Exploration License that Shoal Point Energy has rights to in western Newfoundland:

	Gross			Working Interest		
Resource Class	Low MMstb	Best MMstb	High MMstb	Low MMstb	Best MMstb	High MMstb
Cumulative Production	0	0	0	0	0	0
Remaining reserves	0	0	0	0	0	0
Surface loss/shrinkage	0	0	0	0	0	0
Total Commercial	0	0	0	0	0	0
Contingent resources	0	0	0	0	0	0
Unrecoverable	0	0	0	0	0	0
Total sub-commercial	0	0	0	0	0	0
Total discovered PIIP	0	0	0	0	0	0
Prospective resources	177.3	428.4	908.6	177.3	428.4	908.6
Unrecoverable	2,874.5	6,119.7	10,889.7	2,874.5	6,119.7	10,889.7
Total undiscovered PIIP	3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3
Total PIIP	3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3

Prospective resources are defined as 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 are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market, facility, corporate commitment or political risks). The chance of commerciality is the product of these two risk components. The Province of Newfoundland and Labrador currently has a moratorium on hydraulic fracturing in place. The prospective resource estimates referred to herein have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The Low Estimate represents the P_{90} values from the probabilistic analysis (i.e. the value is greater than or equal to the P_{90} value 90% of the time), while the Best Estimate represents the P_{50} values and the High Estimate represents the P_{10}. Actual resources may be greater or less than those calculated.

Exploration License 1070

Shoal Point Energy earned a 45.5 percent interest in the eastern portion of the license by drilling the 2K-39 well in 2008. Pursuant to earning, Shoal Point Energy formed an agreement with partners in the license, to trade deep rights for an increased percentage of shallow rights, as a result, Shoal Point Energy became operator of the shallow rights. As of September 25, 2011, Shoal Point Energy has increased their working interest to 100 percent in the shallow rights, to the base of the Humber Point Allochthon, of Exploration License 1070 ("EL 1070"). Shoal Point Energy has satisfied the "Period 1" term license requirements by drilling and sampling the sediments within the 2K-39 wellbore. The Company has no further responsibilities on the 2K-39 well and has been properly terminated as "Abandoned" as per the regulations of the license agreement. EL 1070 is now subject to an extended "Period 2" term of the license requirements under the "diligent pursuit" clause of the legislation. Shoal Point Energy continued to advance the Humber Point Allochthon prospect by drilling the 3K-39 well. Shoal Point had a farm-out agreement with Black Spruce Energy ("BSE"), whereby BSE could earn 40% of Shoal Point's interests in Western Newfoundland by drilling and completing 3 wells; increase its interest to 50% by drilling and completing a 4th well; and would then have the option to earn an additional 10% (to a total of 60%) by drilling and completing an additional 8 wells (for a total of 12 wells). Shoal Point would participate in all cash flow from first production. On September 22, 2014, the Company and BSE mutually agreed to dissolve their farm-out agreement. In October 2014, the Government of Newfoundland appointed five members to the Newfoundland and Labrador Hydraulic Fracturing Review Panel ("NLFRP") to study the socio-economic and environmental impacts of hydraulic fracturing in western Newfoundland. The report was made public on May 31, 2016 recommending significant further study before hydraulic fracturing could be considered.

The Company sees no evidence that the Province is undertaking "significant further study" about hydraulic fracturing. On April 18, 2023 the Company disclosed that is attempting to engage with the Province regarding compensation for the more than $40 million spent attempting to develop the Humber Arm Formation shale play offshore of the Port au Port peninsula. The Company confirms that, while it is pursuing compensation from the Province, to date these efforts have been unsuccessful and there is no certainty that a settlement will be reached.

On November 24, 2023, the Company disclosed that it had filed a Statement of Claim in the Supreme Court of Newfoundland and Labrador against His Majesty the King in Right of Newfoundland and Labrador (Newfoundland). The claim seeks damages of at least $483,000,000.00 against Newfoundland for de facto expropriating and constructively taking the Company's interest in certain exploration lands, among other claims.

Kansas, USA

Since June, 2019, the Company has been involved in two different plays in Kansas. Shoal Point currently values its Kansas assets at zero and is in the process of exiting the Kansas play.

6.2 Properties with No Attributed Reserves

See section 6.1.

6.3 Forward Contracts

There are no forward contracts.

6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Company has no further responsibilities or obligations for well 2K-39 as it has been properly terminated as "Abandoned" as per regulations. Well 3K-39 is terminated as "Suspended" and is now subject to an extended "Period 2" term of the license requirements under the "diligent pursuit" clause of the legislation.

The Company does not estimate that there will be substantial costs associated with the plugging and abandoning of its wells in Mount Evans, Kansas. Plugging costs are partially offset and generally recovered by the salvage value of the equipment on the producing wells. The reclamation costs associated with these wells is estimated to be between US$10,000 - $30,000 and are not determined until the pits are fully evaporated.

6.5 Tax Horizon

The Company was not required to pay income taxes during the year ended January 31, 2024. The Company is currently in exploration stage and does not currently have reserves. No reasonable estimate may be made as to when the Company will be required to pay income taxes.

6.6 Costs Incurred

The Company did not incur any costs in relation to the two Exploration Licenses in Newfoundland during the year ended January 31, 2024 (2023: $NIL).

The Company spent a total of US$1,180,660 to January 31, 2022 in costs relating to the interests in Mt. Evans, Kansas. At January 31, 2022, due to disappointing results, the Company decided to abandon and write off all of the capitalized costs associated with the Mt. Evans wells.

The Company spent a total of US$322,186 to January 31, 2023 in costs relating to the interests in Pratt County, Kansas.

The Company spent a net total of US$27,653 to January 31, 2024 in costs relating to the wells in Pratt County, Kansas. The costs were netted against the sale and transfer of some equipment.

At January 31, 2024, the Company decided to write off all of the capitalized costs associated with the Pratt County wells.

6.7 Exploration and Development Activities

West Coast Newfoundland

In November of 2013 the Minister of Natural Resources rejected a permit application by Shoal Point to hydraulically fracture well 3K-39. At the time the Minister stated that applications for hydraulically fracturing wells would no longer be accepted. The Minister knew that hydraulic fracturing would be required to achieve commercial production of hydrocarbons from a shale reservoir. In October 2014, the Government of Newfoundland appointed five members to the Newfoundland and Labrador Hydraulic Fracturing Review Panel ("NLFRP") to study the socio-economic and environmental impacts of hydraulic fracturing in western Newfoundland. The report was made public on May 31, 2016. The report, recommends, among other things, significant further study before hydraulic fracturing would be considered.

Mount Evans, Kansas, USA

Commencing in 2019 and ending in September, 2021, the Company participated in a 3-D seismic survey and drilled three wells at the Mount Evans prospect. The wells were unsuccessful.

At January 31, 2022, the Company wrote off all capitalized costs associated with the Mt Evans, Kansas project.

Pratt County, Kansas, USA

In March 2022, the Company announced that it has committed to participate in the first of three oil and gas prospects in Pratt County, Kansas. Participation in the first prospect of 1.25 sections will give Shoal Point the option of

participating in the other two prospects in the package. Shoal Point will receive a 6.5% working interest in the prospect in exchange for acquisition and drilling costs of approximately $50,000.

After drilling 6 wells in Pratt County, the Company values these assets at $0 and is in the process of exiting its involvement.

6.8 Production Estimates

Not applicable.

6.9 Production History

The Company has received modest revenues to date from its 52% working interest in the Maresch Unit #1-32 (the first well in the Mt. Evans play). During the year ended January 31, 2021 a total of 1,756.68 Bbls was produced and sold at an average price of US$35.10/Bbl amounting to US$60,392.90. The Company's net share amounted to gross US$31,404. Currently the well is abandoned, and no revenues were received during the year ended January 31, 2022.

During the year ended January 31, 2023, the Company received revenues from three of its wells in Pratt County, Kansas. The Company holds a 6.5% working interest in an 81% net revenue interest in each of the three wells. A total of 7,829.3 Bbls was produced and sold at an average price of US$82.31/Bbl amounting to US$644,463.04. The Company's net share amounted to gross US$33,930.98.

During the year ended January 31, 2024, the Company received revenues from three of its wells in Pratt County, Kansas. A total of 5,409.1Bbls was produced and sold at an average price of $72.88/bbl amounting to US$394,201.03. The Company holds a 6.5% working interest in an 81% net revenue interest in each of the wells. The Company's net share of the gross revenues amounted to gross $22,723