Shoal Point Energy

Mt. Evans Partnership with Shelby Resources In Kansas

Corporate Presentation

August 2019

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Projections

The presentation's financial and other projections have been prepared using assumptions and hypotheses created by Shoal Point's management based on information provided to them and through due diligence. The assumptions used in the preparation of the projection reflect management's intended course of action for the projection period based on management's judgment as to the most probable set of economic conditions if the assumptions they consider most likely are realized. The assumptions may not necessarily be the most probable and are based on information existing as at the date of this presentation.

The assumptions are those that management believes are significant to the projection. Some assumptions may not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection; therefore, the actual results achieved during the projection period may vary materially from the projections. This projection is based on our assumptions and there is a major risk that actual results will vary, perhaps materially, from the results projected.

Management does not intend to update this projection subsequent to its issue.

Our Partner in Kansas is Shelby Resources, LLC

- Private Company with no employees – it is a partnership where everybody has skin in the game.
- Founded 1995, drilled 230 wells since and conducted 30 3D's, total of 390 square miles. Overall, 70% drilling success rate since 1995.
- Sold producing assets for $53 million in April 2008. Since then has developed an additional 1.8 million barrels of oil reserves.
- 3 geologists, 1 Geophysicist, 1 drilling and completions engineer, 1 reservoir engineer, 1 landman and 1 financial officer.

Note: All funds in US dollars unless otherwise stated

Shoal Point is farming in to Shelby's Mt. Evans play

Shoal Point Energy will earn a 65% working interest of an 80% net revenue interest by:

- Paying $75,000 (paid)
- Financing 3D seismic shoot (estimated cost $420,000)
- Drilling first well to casing point (estimated cost $135,000)

After earn in, all costs will be borne 65% - 35% by Shoal Point and Shelby.

The earned working interest will apply to an area of mutual interest of 121 square miles.

Note: All funds in US dollars unless otherwise stated

Mt. Evans Prospect

WHY KANSAS?

- Oil friendly
- Pipeline infrastructure, easy to get product to market
- Off the radar - Not the Permian Basin or Shale Unconventionals
- Drilled in the 60’s and 70’s with low tech methods

- Very little seismic used back then
- Vertical, shallow wells, (+- 4,000 ft.), no technical issues
- 36 - 40 API oil.

Summary of Mt. Evans Prospect

Key Elements

The Mt. Evans Prospect is defined by existing well control, wells vintage early sixties. No modern seismic has been shot. Several large undrilled prospective areas have been identified through surface and subsurface mapping. Each area could contain multiple structural features similar in size to the established production.

This play concept is a combination of structure and stratigraphy which can be identified using 3D seismic data. Based on historical production, each feature that is identified on seismic data could result in 2-5 wells per feature. Shelby Resources, LLC has acquired leases and is proposing approximately 12 square miles of seismic data.

Shelby estimates reserves of 200,000 BO/well, with drilling & completion cost/well of $350,000. Payout is estimated to be less than 3 months per well to Shoal Point's interest, based on $55/BO.

Note: All funds in US dollars unless otherwise stated

More on Mt. Evans

- Historic production in immediate vicinity from two small oil fields indicates reserve target from the primary target formation is 200,000 barrels per well.
- Shiley North has currently produced a total of 853,083 bbls from 5 wells from 1966 through February 2018, averaging approximately **170,600 bbls per well.**
- ORO Northwest has produced a total of 693,704 bbls from 4 wells from 1966 through January 2018, averaging approximately **173,500 bbls per well**.
- The Pennsylvanian Pawnee Sandstone at approximately 4,200 ft. is the main target.
- Shelby is predicting wells with Pawnee Sand reserves are in excess of 200,000 BO per well. The Cherokee Formation can be as high as 100,000 BO per well.
- One of the wells in the ORO Northwest field produced oil from both the Pawnee and Cherokee.
- If the two targets are present the Cherokee can add an additional 100,000 BO

Projected Economics

Estimated target size is 200,000 barrels per well

Economics for 1 well with 100,000 barrel reserves – 80% net interest, WTI at $55/bbl

$350,000 to drill, complete and equip a well

Operating expenses $24,000/year

Taxes approx. 9.2% of operating income

NPV @ 10% discount: **$1,420,167**

Economic life: 503 months

Net production year 1: 16,421 barrels

Net production year 14: 1,316 barrels

Economics for 1 well with 200,000 barrel reserves – 80% net interest, WTI at $55/bbl

$350,000 to drill, complete and equip a well

Operating expenses $24,000/year

Taxes approx. 9.2% of operating income

NPV @ 10% discount **$3,566,714**

Economic life: 696 months

Net production year 1: 35,315 barrels

Net production year 14: 2,239 barrels

Projected Economics

Estimated target size is 200,000 barrels per well

Economics for 1 well with 100,000 barrel reserves – 80% net interest, WTI at $40/bbl

$350,000 to drill, complete and equip a well

Operating expenses $24,000/year

Taxes approx. 9.2% of operating income

NPV @ 10% discount: **$825,860**

Economic life: 339 months

Net production year 1: 16,421 barrels

Net production year 14: 1,316 barrels

Economics for 1 well with 200,000 barrel reserves – 80% net interest, WTI at $40/bbl

$350,000 to drill, complete and equip a well

Operating expenses $24,000/year

Taxes approx. 9.2% of operating income

NPV @ 10% discount **$2,335,695**

Economic life: 502 months

Net production year 1: 35,315 barrels

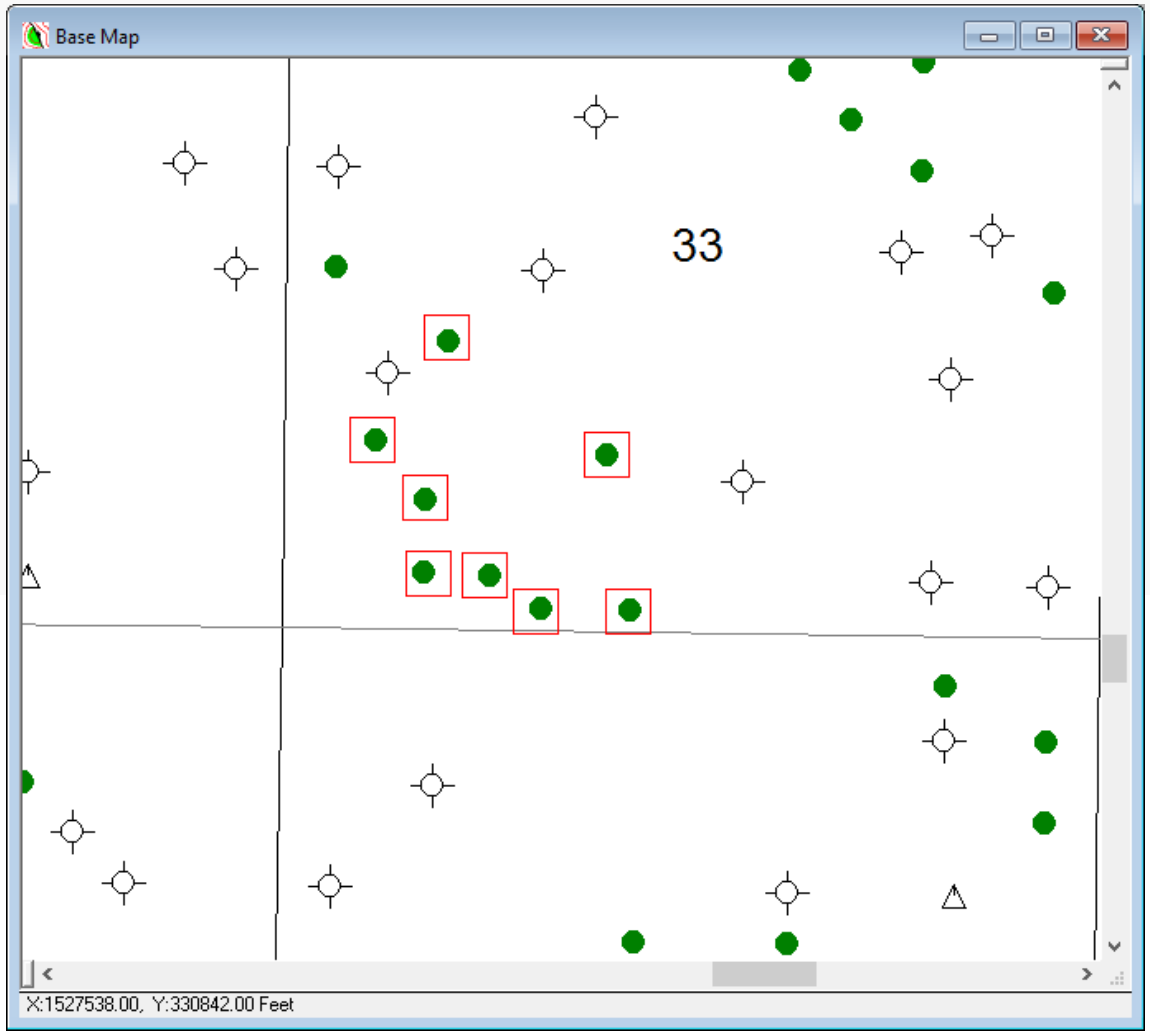
Net production year 14: 2,239 barrels

Shelby Resources -- Track Record of Success

- The exploration model proposed for the Mt. Evans Prospect area has been used successfully many times by Shelby Resources.
- Areas identified as prospective are typically close to known production established in mid 1900's in areas where no 3D seismic has been shot.
- Shelby acquires a land position, then shoots 3D seismic and drills the structures revealed by the seismic.
- Since 1995, Shelby has had a success rate of 70% with this exploration model, and the success rate has improved over time.
- The following 5 areas represent a few examples of typical historical areas of exploration and production by Shelby resources, LLC.
- The areas presented represent a success rate of 87%.
- The areas all had smaller reserve targets than the Mt. Evans Prospect, but still had excellent economics.
- Locations have not been disclosed for competitive reasons, but all are in Kansas.

AREA 1

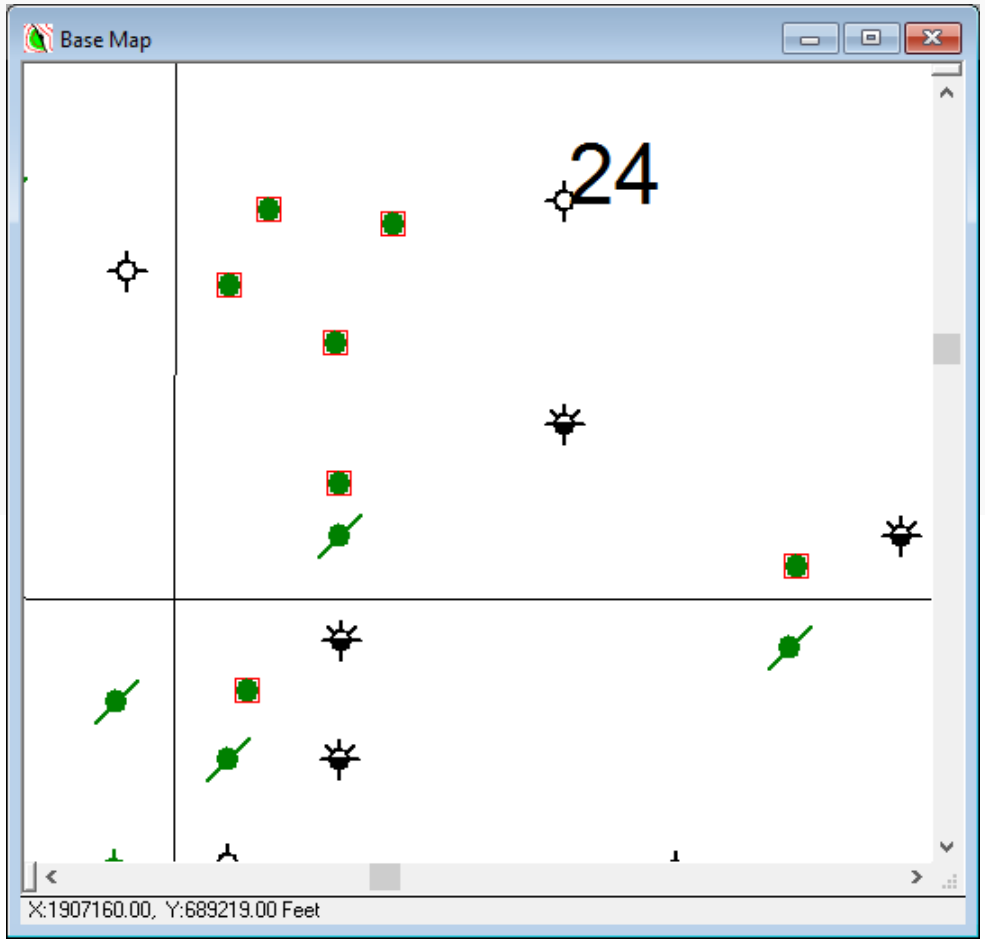
This area was identified using 3D seismic data. Two NW-SE trending linear closed structures were mapped amidst abandoned production and surrounded by dry holes. 3D seismic had never been acquired in the area. Eight wells were drilled with no dry holes. Production is from Ordovician carbonates.
The drilling program in this area resulted in estimated reserves of 920,000 BO.



Shelby Resources Wells

AREA 2

Shelby Resources acquired 3D seismic data and identified numerous subtle structural features with stratigraphic implications. The area was characterized by surrounding dry holes and abandoned production. 3D seismic data had never been acquired in the area. Shelby Resources drilled 7 wells with no dry holes. Production is from Ordovician and Pennsylvanian carbonates.
This area added estimated reserves of 220,000 BO.

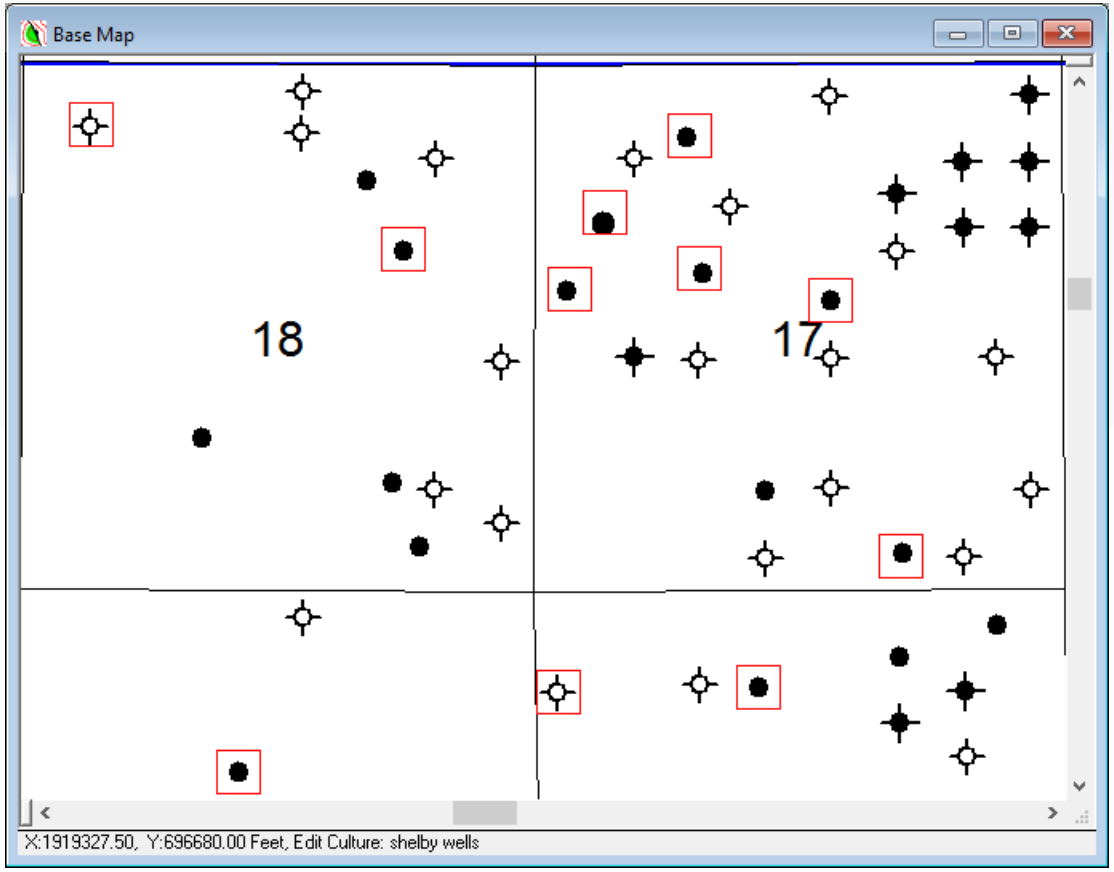


Shelby Resources Wells

AREA 3

This area was identified by Shelby Resources, LLC using 3D seismic data in an area presumed to be drained, surrounded by dry holes and abandoned production. 3D seismic had never been acquired in this area. The data revealed subtle structures combined with stratigraphic changes in Ordovician and Pennsylvanian carbonates. Eleven wells were drilled by Shelby resulting in 9 producing wells and two dry holes. Subsequent drilling by other operators are not included in the estimated reserves.
Estimated reserves for Shelby operated wells in this area are 270,000 BO.

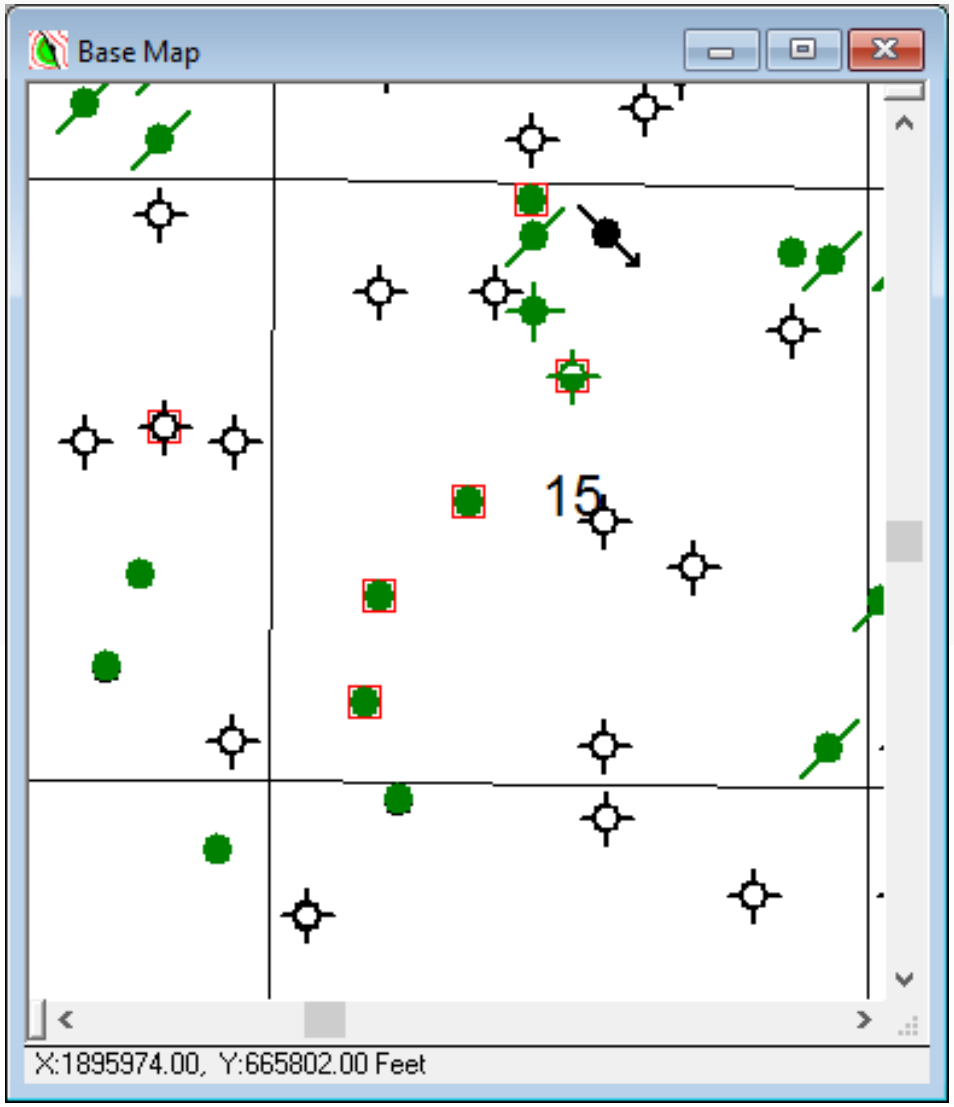
* Shelby Resources will be implementing a waterflood next month that could potentially add another 100,000-150,000 bbls of secondary reserves.



Shelby Resources Wells

AREA 4

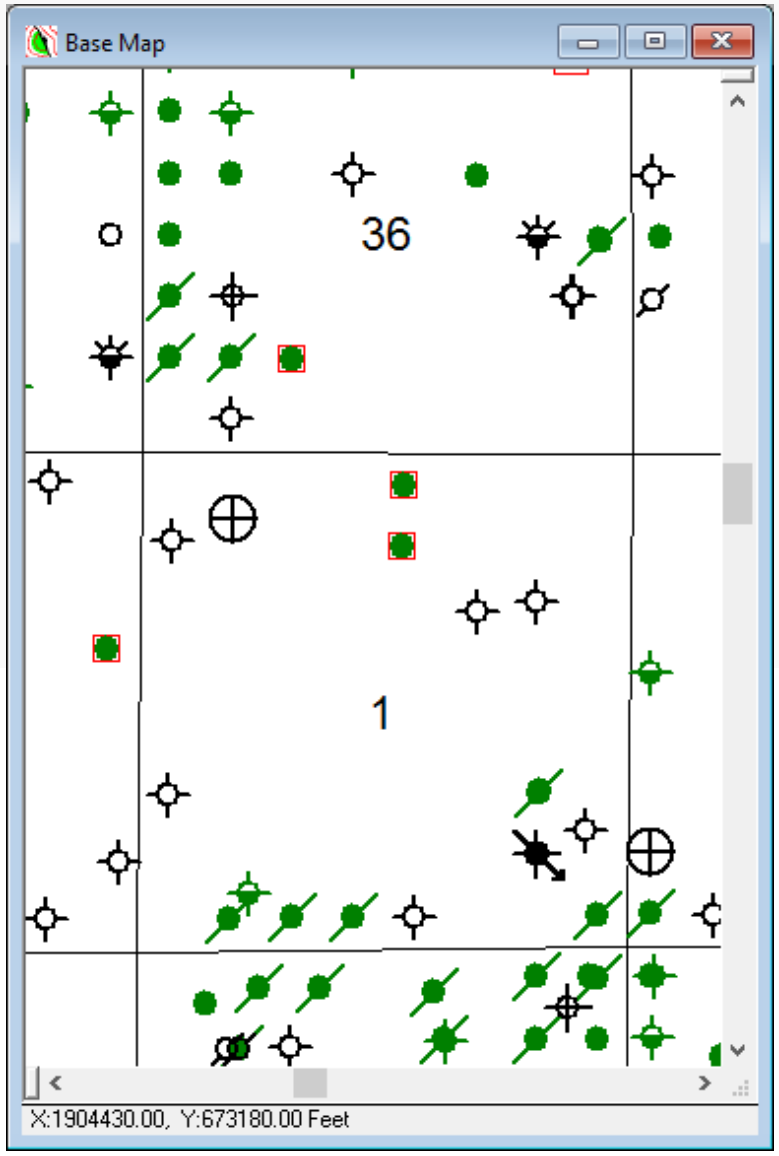
Shelby Resources acquired 3D seismic data in an area of old abandoned production and identified subtle structure and varying stratigraphy in Ordovician and Pennsylvanian carbonates. Six wells were drilled by Shelby resulting in 4 producing wells and 2 dry holes. Two new pay zones were identified in the area. Additional successful wells were drilled by a neighboring operator who participated in the seismic acquisition and drilled wells based on Shelby's recommendations. These wells are not included in the estimated reserves.
Estimated reserves for Shelby operated wells are 290,000 BO



Shelby Resources Wells

AREA 5

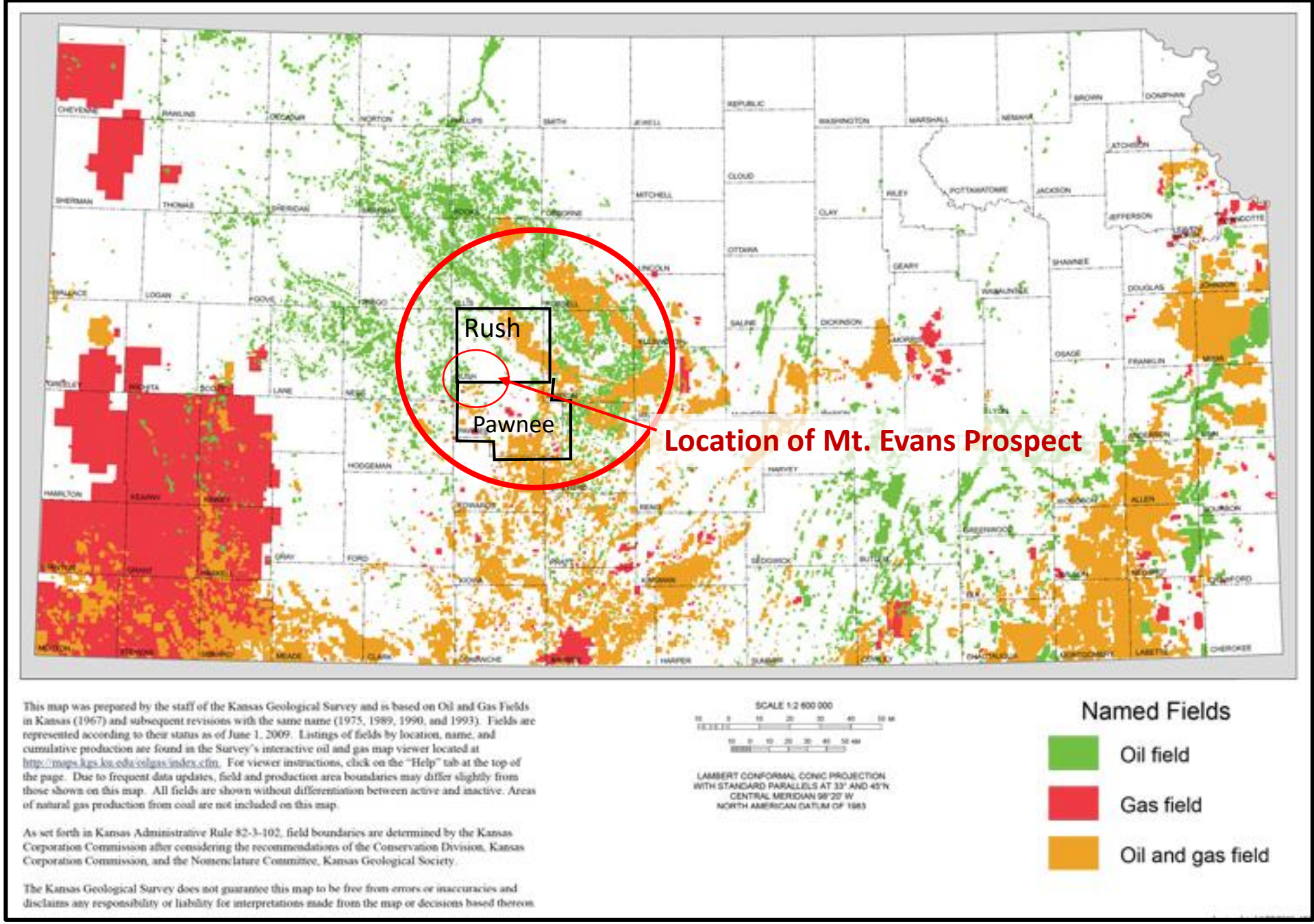
3D Seismic data was acquired by Shelby Resources in an area of abandoned production and surrounded by dry holes. Subtle structure and varying stratigraphy in Ordovician and Pennsylvanian carbonates were identified resulting in the drilling of 4 producing wells with no dry holes.
Estimated reserves for Shelby operated wells is 180,000 BO.



Shelby Resources Wells

LOCATION
LOCATION
LOCATION

Central Kansas Uplift

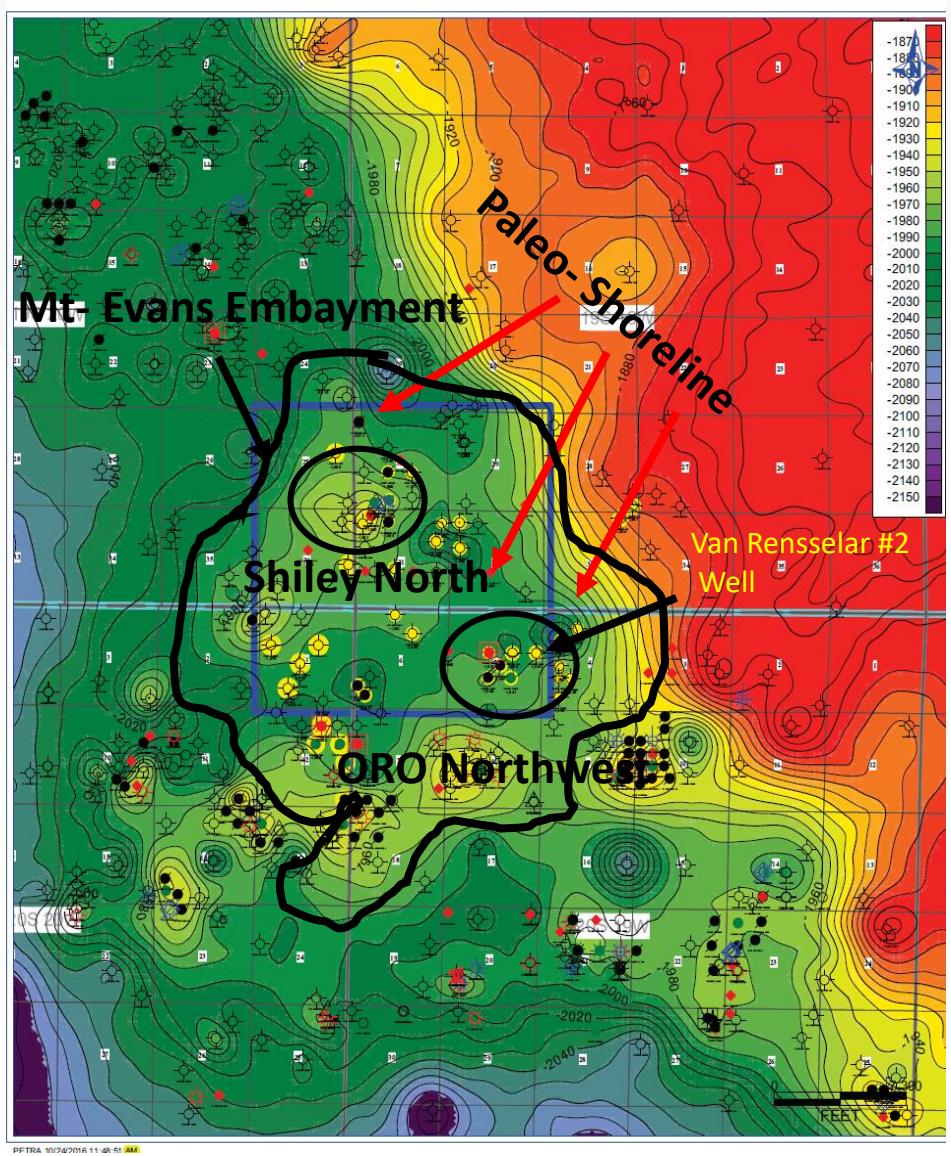


CSE: SHP

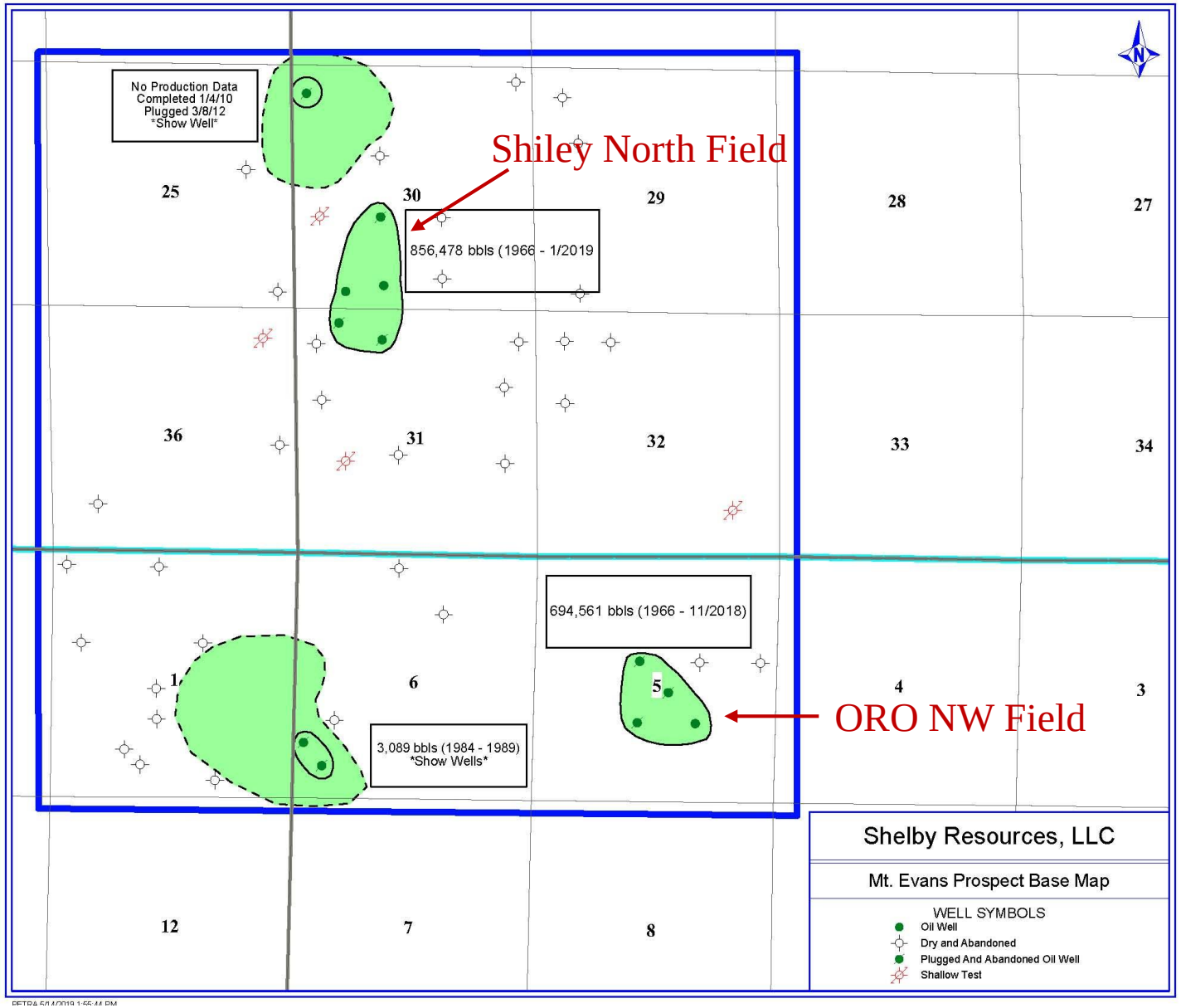
GEOLOGY

Central Kansas Uplift provides the source for the Pennsylvanian sandstones

- The marine sandstones are captured in an embayment
- Two fields, **Shiley North** and **ORO Northwest,** were discovered without seismic.
- **Shiley North** produced 853,083 bbls from 5 wells -1966-2018 averaging 170,600 bbls per well
- **ORO Northwest** produced 683,704 bbls from 4 well – 1966-2018 averaging 173,500 bbls per well. 36-39 API Oil
- The Pawnee Sandstone a Pennsylvanian reworked 8-10 foot unit that would have good porosity (12-14 %) and is shallow ~ 4200 feet.
- Cherokee Sandstone, deeper, is a second target
- One well, Van Rensselar #2, had production from Pawnee and Cherokee with initial production at 128 (no water) and 166 BOPD (15% water)
- The structures are 4-way closure and play is conventional

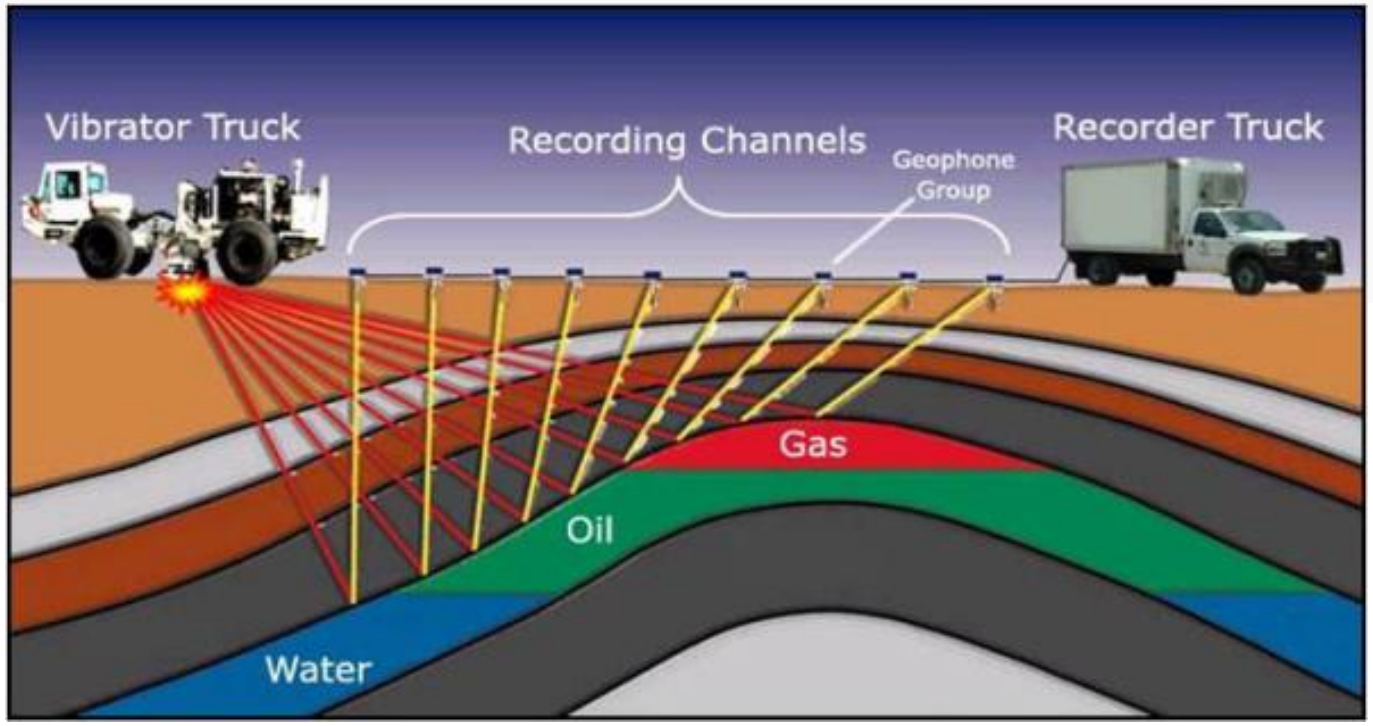


THE PLAN



- 3D Seismic over the ~9 section area and look for other structures
- This map is based on the well data only and based on Shelby Resources track record and model - this plan will find more targets in a known productive area
- Very few wells drilled to basement so multi target potential

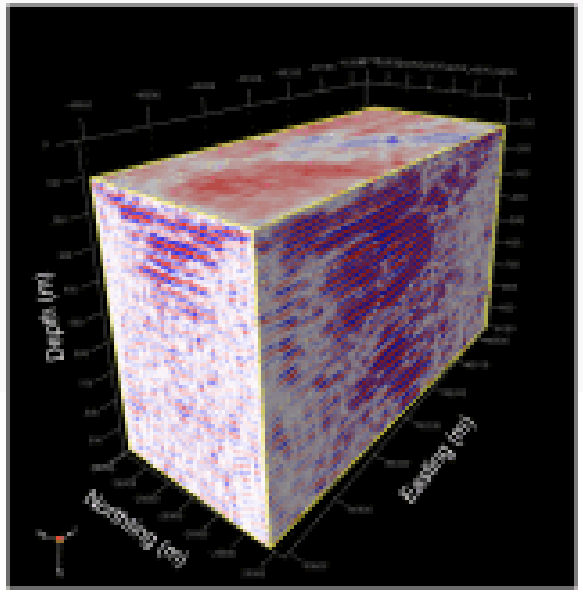
3D Seismic Data Acquisition

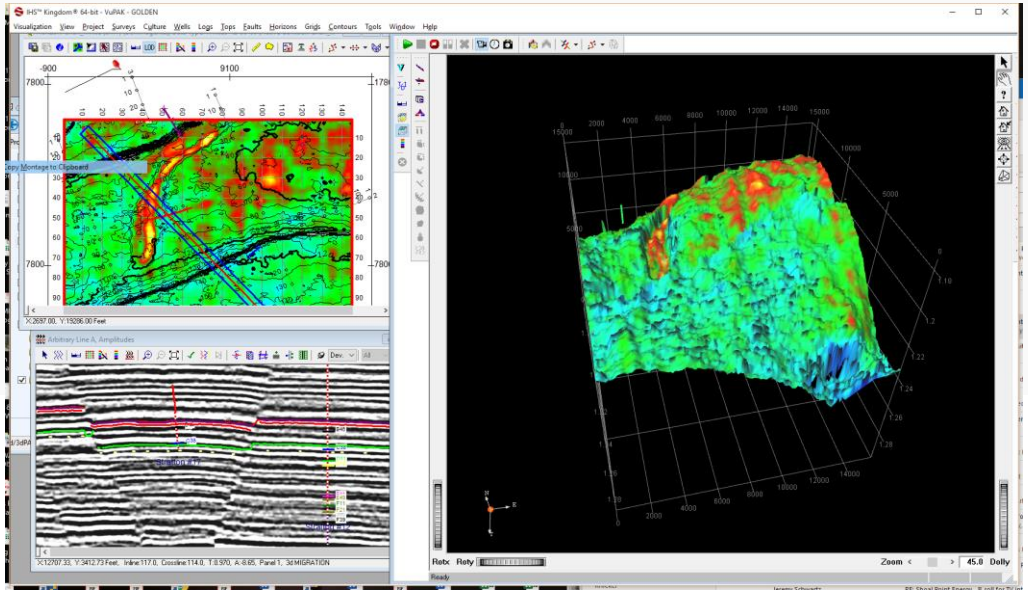


Step 1 -Seismic Data Acquisition:

A seismic survey is conducted by creating a shock wave or seismic wave on the ground along a predetermined line, by using a heavy vehicle (Vibroseis truck) with plates that vibrate on the ground. Each energy source will send a seismic wave into the earth and when reflected by subsurface formations, the sound will return to the surface and be recorded by receivers called geophones. By analyzing the time it takes for the seismic waves to reflect off subsurface formations and return to the surface, a geophysicist can map subsurface formations and anomalies and predict where oil or gas may be trapped for drilling.

3D Seismic Analysis





Step 2 – Seismic Data Processing:

The data recorded from a seismic survey is originally in its unprocessed or raw form. In order for it to be interpreted, it must go through a series of computerized tests. These processes include filtering, stacking, migrating and other computer analysis which make the data usable during the interpretation process.

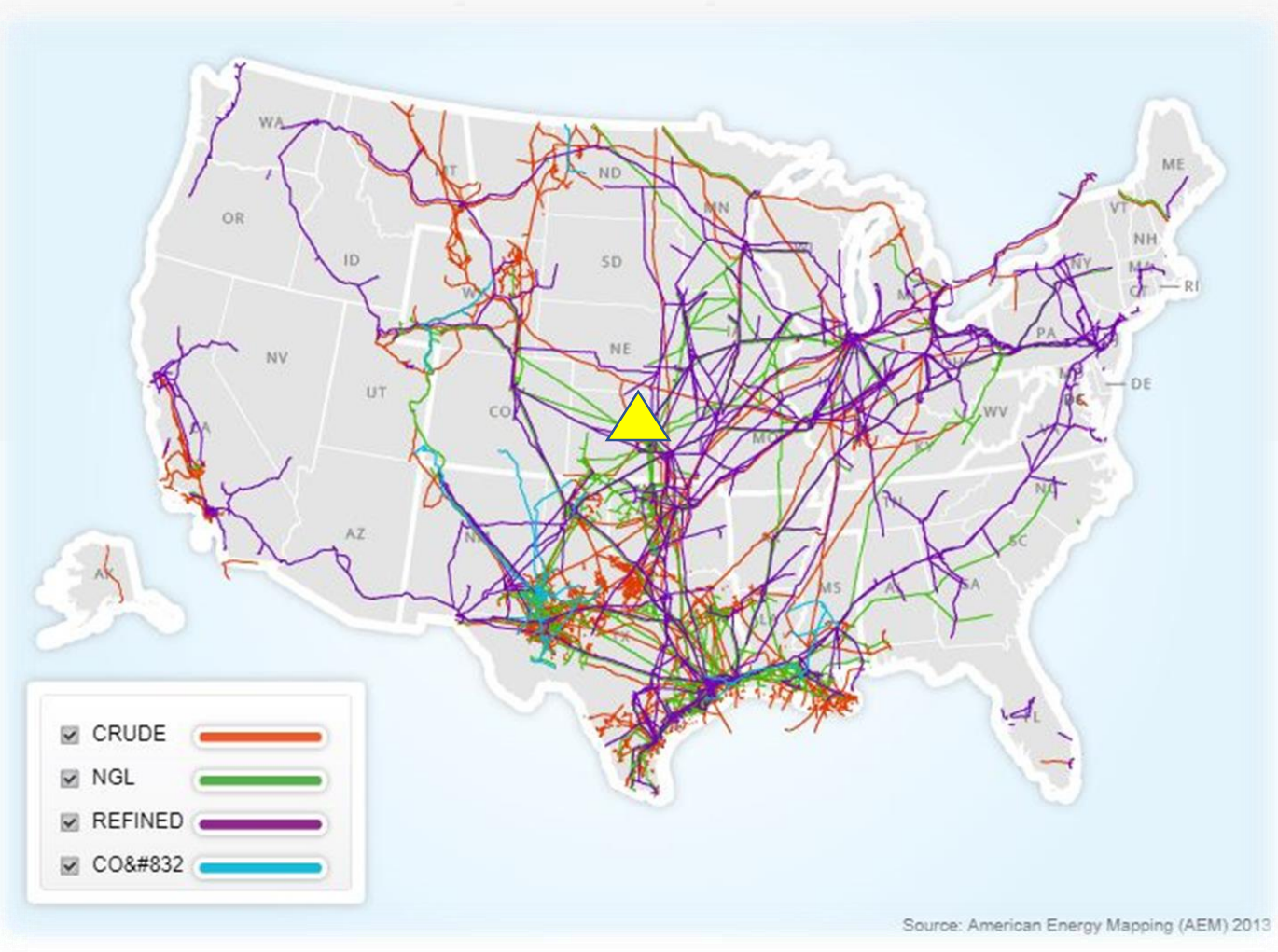
Step 3 – Seismic Data Interpretation:

Finally, the resulting processed data must be correlated to rock layers and interpreted by a geophysicist. Structural and stratigraphic maps are constructed, and reservoir properties of productive intervals are analyzed.

PIPELINE INFRASTRUCTURE

Easy to get product to market

Marketing agreement with Plains Marketing yields approximately WTI price minus $4.25 at the well site.



△ Mt. Evans Prospect

Note: All funds in US dollars unless otherwise stated

DIRECTORS & MANAGEMENT

Mark Jarvis, CEO, President And Chairman

Mr. Jarvis has more than 30 years of experience in exploration and development of oil and gas and metals. After a career in financing exploration projects as a stockbroker, he moved to the corporate side of the business in 1996. He joined the board of Ultra Petroleum, which at the time had a large, unconventional gas prospect that ultimately became 3 TCF of proved reserves.

Brian Usher-Jones, Director

Mr. Usher-Jones has been a merchant banker since 1995 and is the former President of MB Capital Corporation and Thomson Kernaghan Co. Ltd., an investment banking firm in Toronto, Canada. Mr. Usher-Jones is a Chartered Accountant and has a Bachelor of Commerce degree from Concordia University.

Eric Schneider, Director

Mr. Schneider is a partner of the law firm of Miller Thomson LLP where he has practiced law since 1999. From 1990-1999 he was Vice President, Secretary and General Counsel at Schneider Corporation. Mr. Schneider currently serves on the Board of SQI Diagnostics Inc., a TSX.V listed company and has served on the boards of several public companies in the past. Mr. Schneider obtained a B.Sc.(physics) from the University of Waterloo 1975, J.D. from the University of Toronto in 1978.

Natasha Tsai
CFO

Jock Mccracken
Exploration Manager

Leslie Young
Corporate Secretary

Erick Bertsch
Director of Communications

Stock Information

Symbol on the CSE	SHP

Share Capitalization as of July 5, 2019

Issued Shares	58,374,870
Warrants O/S	12,676,265
Options O/S	5,410,000
Shares, fully diluted	76,461,135*

**(assumes all warrants and options exercised)*

THANK YOU

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