

A stylized lighthouse with a black top section and a white body, situated on a dark grey rocky island. A large white beam of light emanates from the top of the lighthouse, illuminating the text to its right. The background is a light blue gradient, and the foreground shows a dark blue sea.

SHOAL POINT energy

Corporate Presentation

CSE: SHP

June 2019

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("Shoal Point")
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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.

Mt. Evans Prospect



WHY KANSAS?

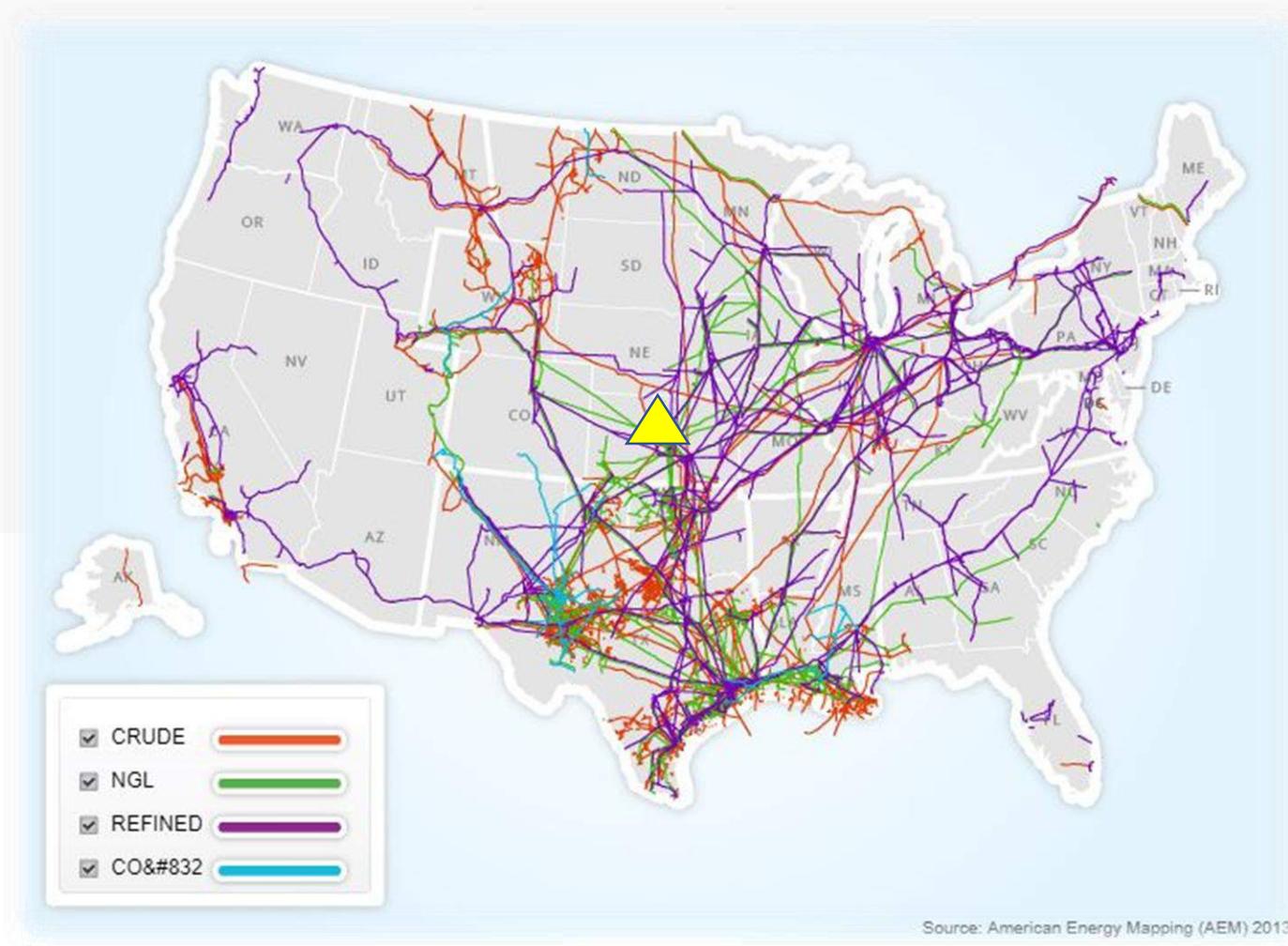
- Oil friendly
- Pipeline infrastructure, easy to get product to market
- Off the radar - Not the Permian Basin or Shale Unconventionals
- Drilled in the 60's and 70's with low tech methods
- Very little seismic used back then
- Vertical, shallow wells, (+- 4,000 ft.), no technical issues
- 36 - 40 API oil.

PIPELINE INFRASTRUCTURE

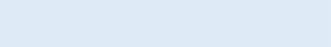
Easy to get product to market

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

 Mt. Evans Prospect



SUMMARY



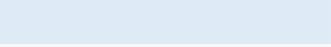
Key Elements

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.

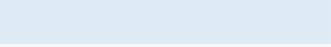
Shelby estimates reserves of 200,000 BO/well and a ROI of 19.14 to 1, based on \$55/BO, with drilling & completion cost/well of \$350,000. Payout is estimated to be 1 month per well.

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.

TRACK RECORD OF SUCCESS

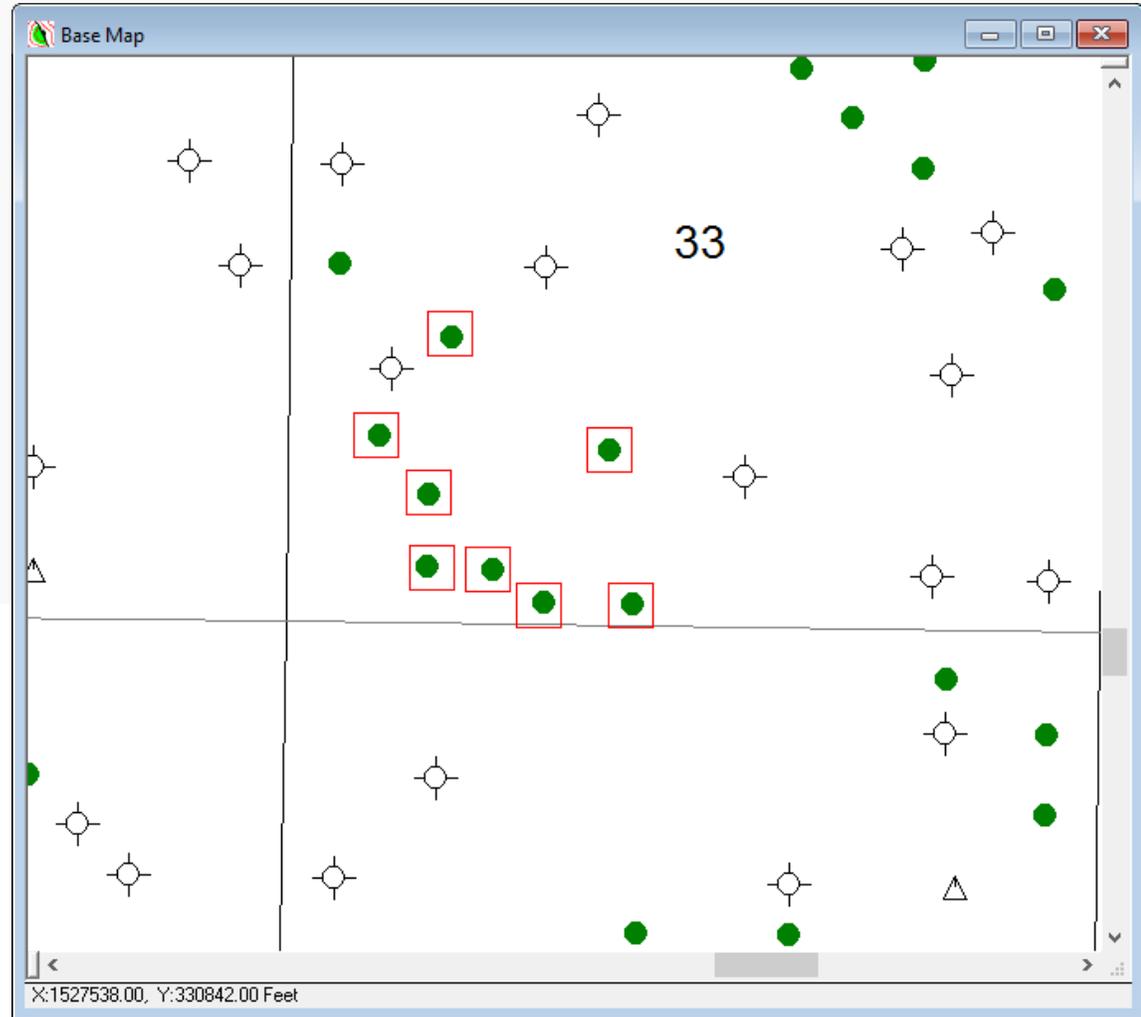


- The exploration model proposed for the Mt. Evans Prospect area has been used successfully by Shelby Resources in the past. The following 5 areas represent examples of typical historical areas of exploration and production by Shelby resources, LLC.
- Areas identified as prospective are typically close to known production presumed to be exploited and abandoned.
- The production in these areas typically dates back to the mid 1900's and 3D seismic data has not previously been acquired.
- Prior to seismic acquisition, the following areas had a statistical reserve average of 40,000 to 42,000 BO/well, based on production history of abandoned wells. The known production had a ROI of 7.75 to 1, and a payout of 3.5 months.
- Upon drilling and completion, due to optimization of choosing locations using structural and stratigraphic interpretation of seismic data and state of the art completion techniques, Shelby Resources reserves are estimated to be approximately 59,000 BO/well. Shelby realized a ROI of 11.5 to 1, and payout of 1.5 months.
- The areas presented represent a success rate of 87%.
- These five areas represent an estimated reserve addition of 1.88 million BO.

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.

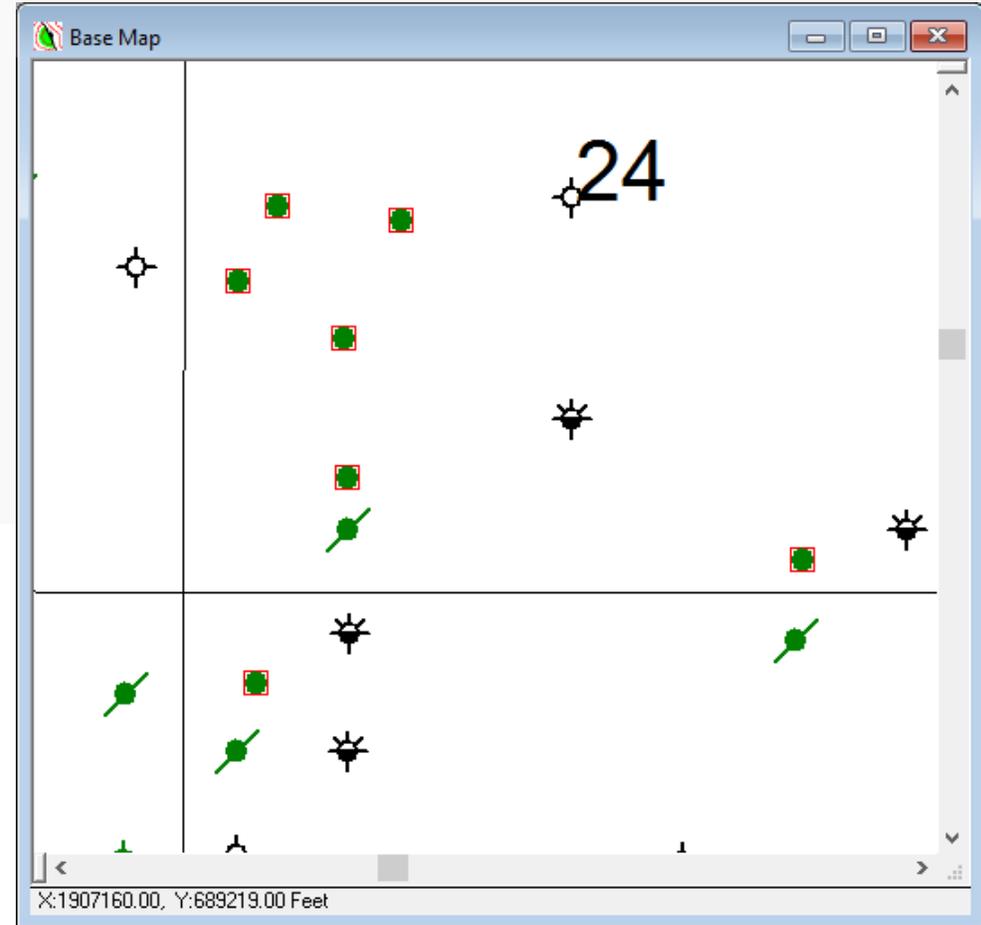
 Shelby Resources Wells



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

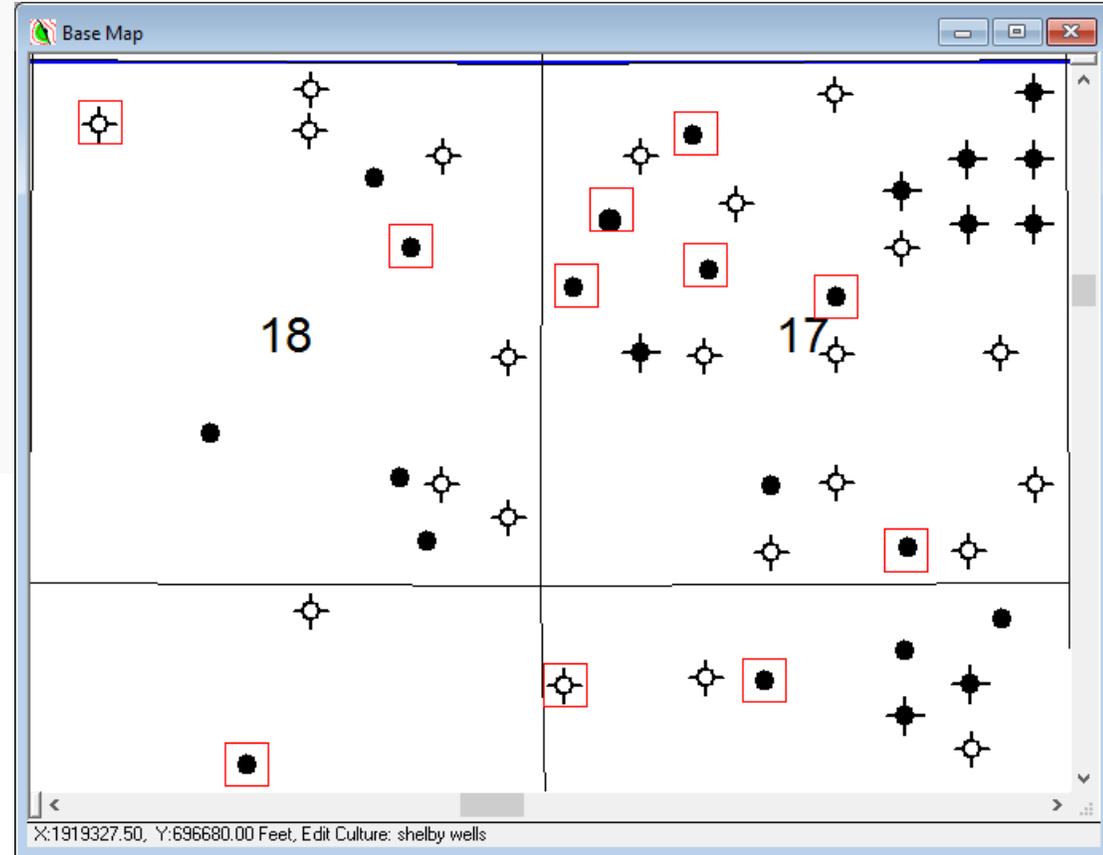


AREA 3

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

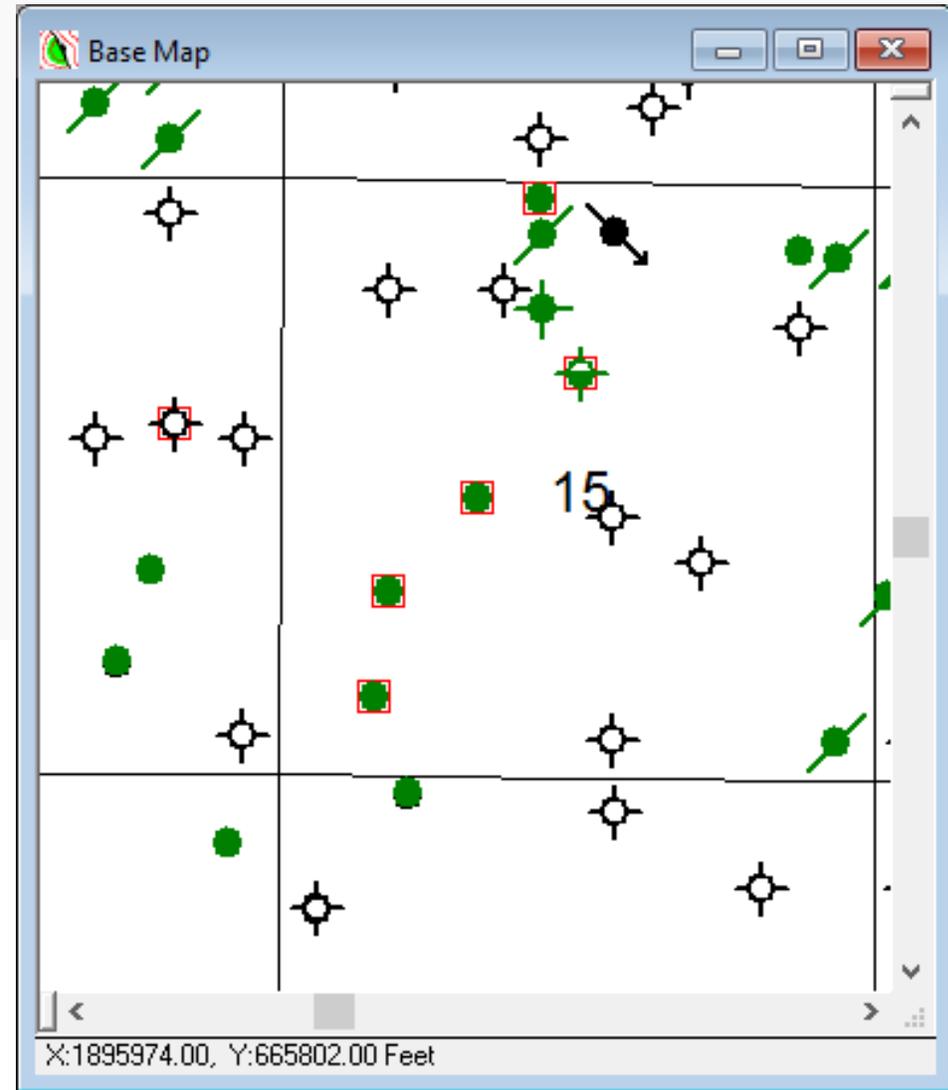


AREA 4

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

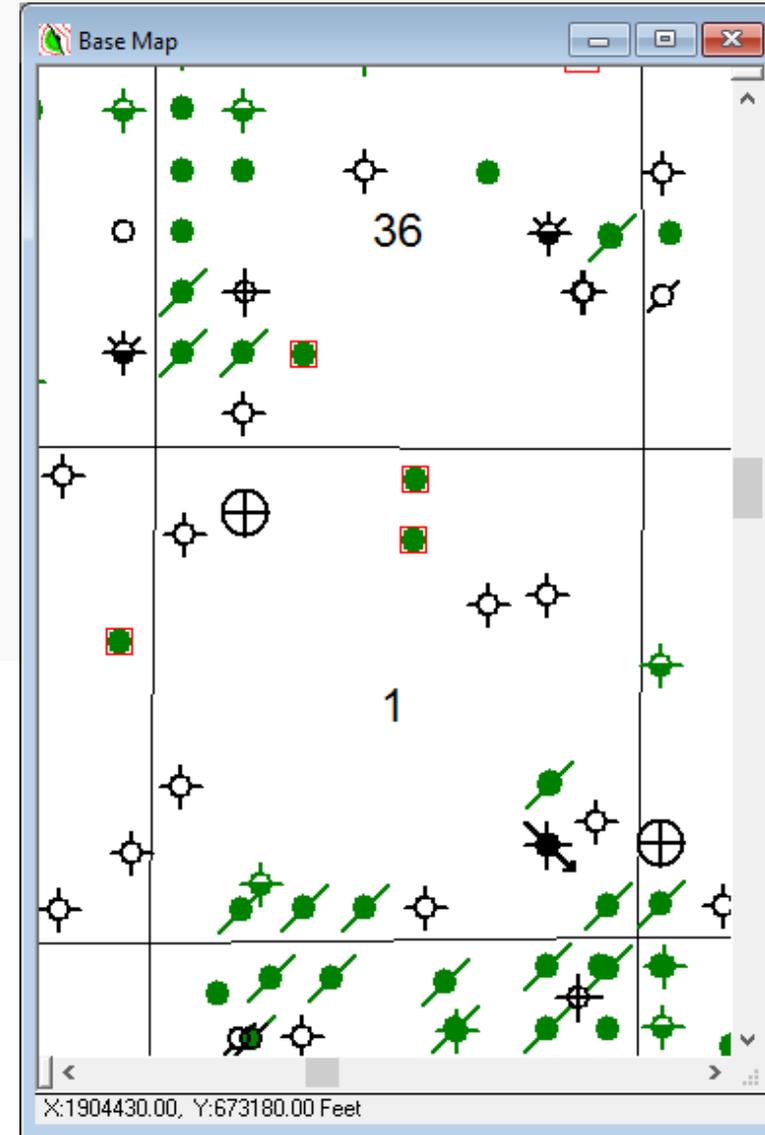
 Shelby Resources Wells



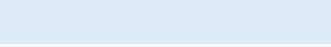
AREA 5

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



SHELBY RESOURCES LLC-MT EVANS

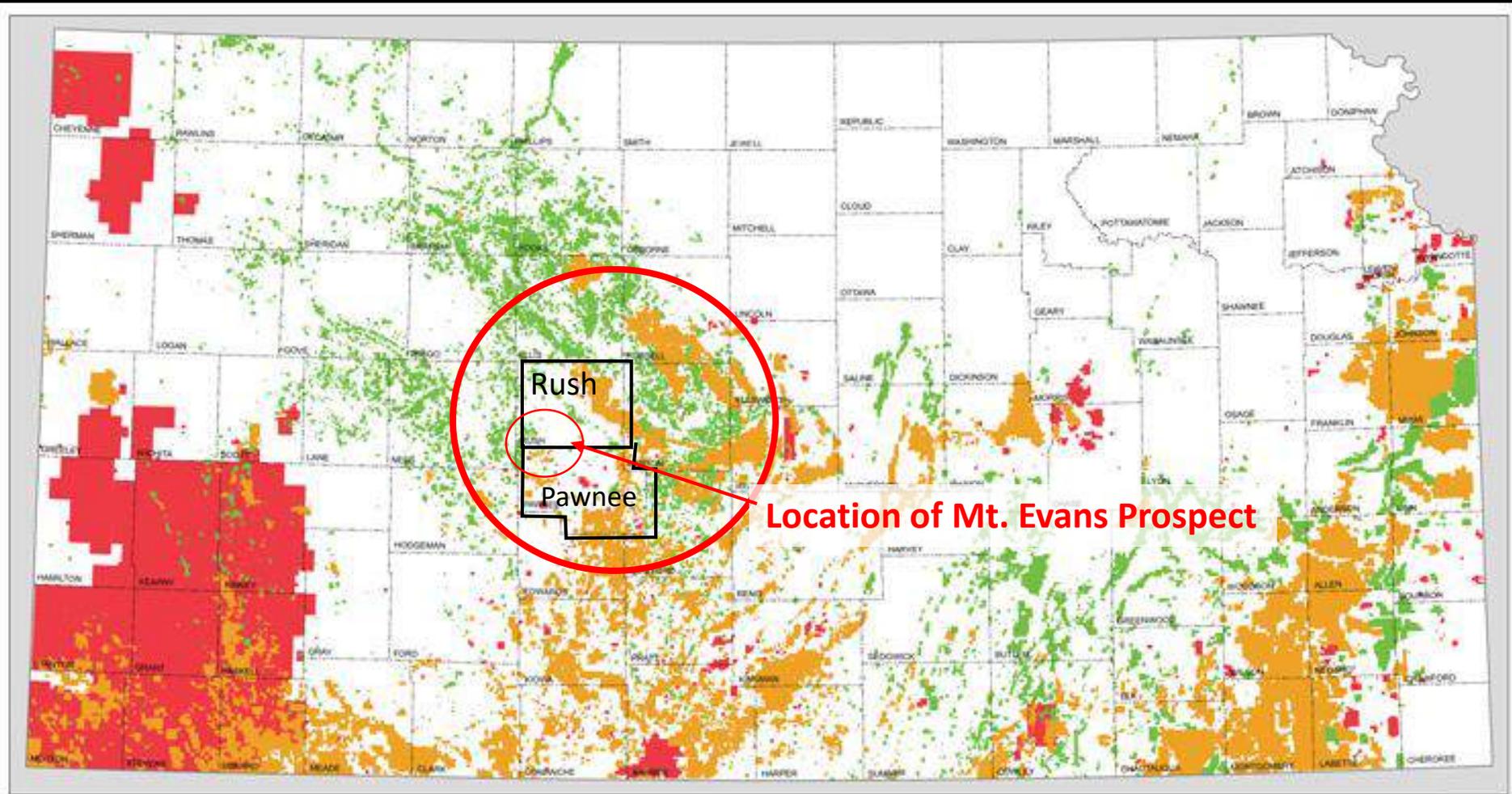


- Good evidence that this area could be more prolific in hydrocarbons than their previous ventures, based on historic production.
- There are two oil fields in this 9 section area.
- Shiley North has currently produced a total of 853,083 bbls from 5 wells from 1966 through February 2018, averaging approximately **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 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

LOCATION LOCATION LOCATION



Central Kansas Uplift



This map was prepared by the staff of the Kansas Geological Survey and is based on Oil and Gas Fields in Kansas (1967) and subsequent revisions with the same name (1975, 1989, 1990, and 1993). Fields are represented according to their status as of June 1, 2009. Listings of fields by location, name, and cumulative production are found in the Survey's interactive oil and gas map viewer located at <http://maps.igs.ku.edu/olgas/index.cfm>. For viewer instructions, click on the "Help" tab at the top of the page. Due to frequent data updates, field and production area boundaries may differ slightly from those shown on this map. All fields are shown without differentiation between active and inactive. Areas of natural gas production from coal are not included on this map.

As set forth in Kansas Administrative Rule 82-3-102, field boundaries are determined by the Kansas Corporation Commission after considering the recommendations of the Conservation Division, Kansas Corporation Commission, and the Nomenclature Committee, Kansas Geological Society.

The Kansas Geological Survey does not guarantee this map to be free from errors or inaccuracies and disclaims any responsibility or liability for interpretations made from the map or decisions based thereon.



LAMBERT CONFORMAL CONIC PROJECTION
WITH STANDARD PARALLELS AT 33° AND 45°N
CENTRAL MERIDIAN 99°20' W
NORTH AMERICAN DATUM OF 1983

Named Fields

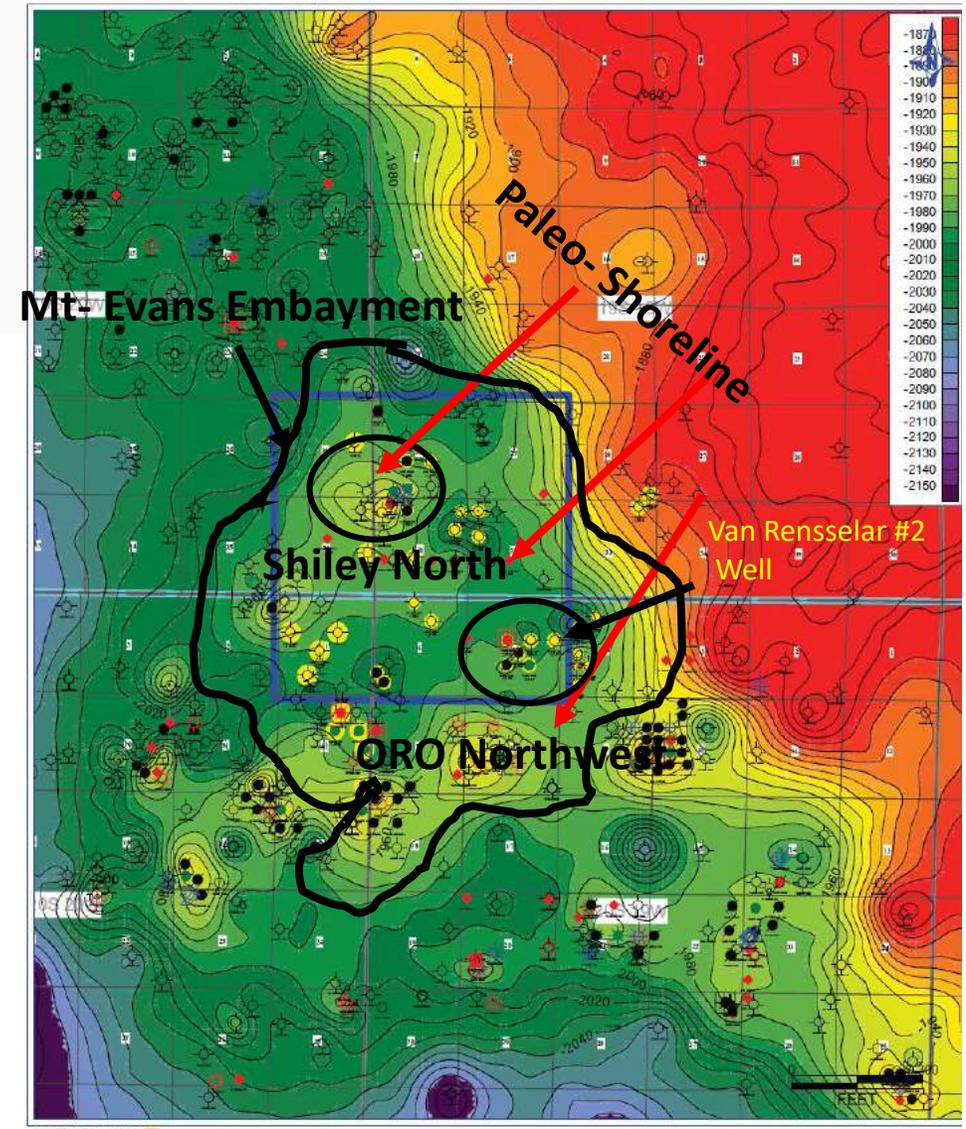
- Oil field
- Gas field
- Oil and gas field

CENTRAL KANSAS UPLIFT

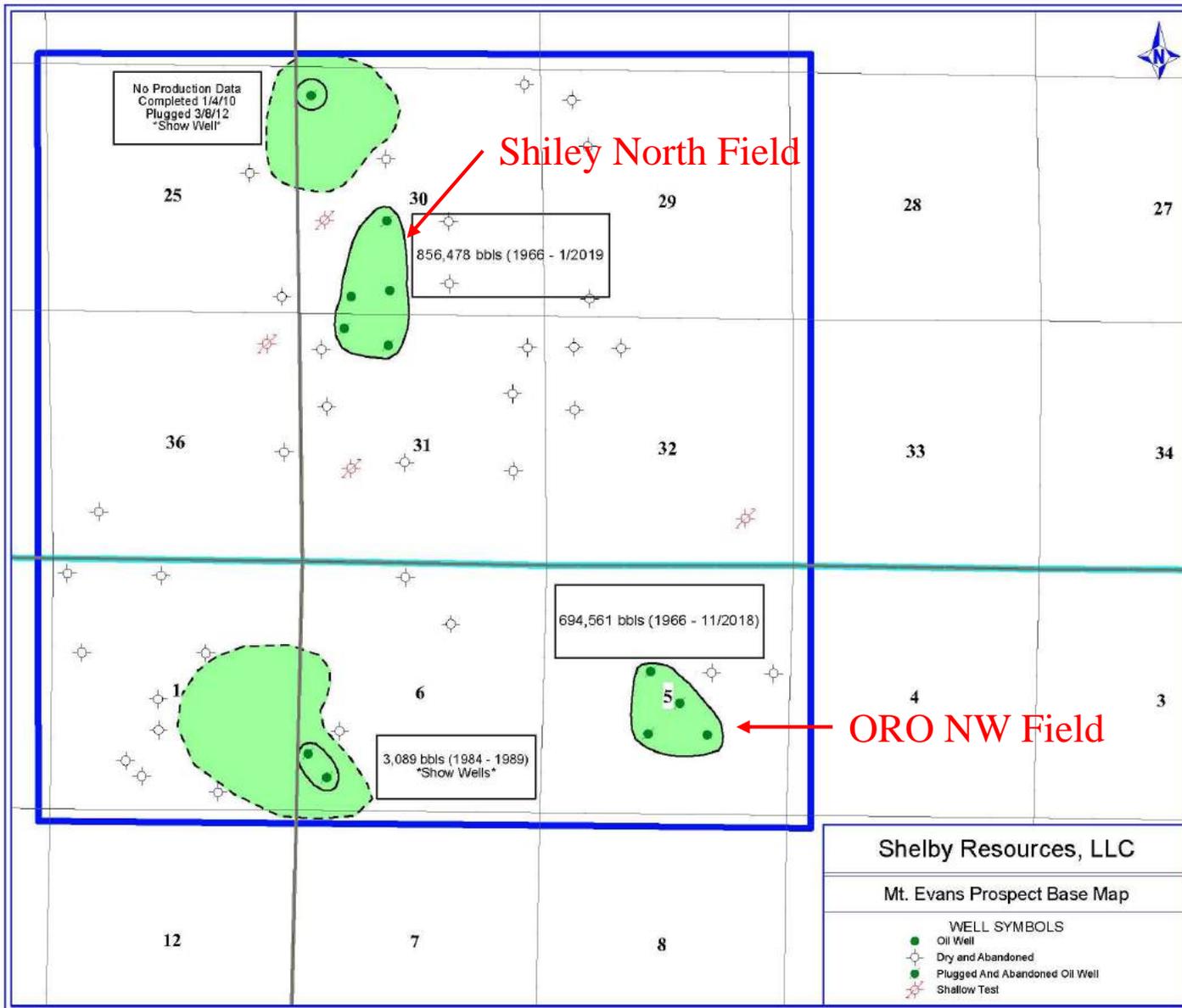
Provides the source for the Pennsylvanian Sandstones

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 Rensseler #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

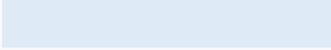


THE PLAN



- 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

Projected Economics



Economics for 1 well with 100,000 barrel reserves – 80% net interest, oil 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: **\$1,589,087**

Economic life: 550 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, oil 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 **\$3,915,650**

Economic life: 750 months

Net production year 1: 35,315 barrels

Net production year 14: 2,239 barrels

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

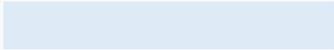
SHP

Share Capitalization as of June 1, 2019

| | |
|-----------------------|-------------|
| Issued Shares | 43,537,160 |
| Warrants O/S | 5,260,640 |
| Options O/S | 3,860,000 |
| Shares, fully diluted | 52,657,800* |

**(assumes all warrants and options exercised)*

THANK YOU



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ERICK BERTSCH, Investor Relations

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