

**RIGHTS OFFERING NOTICE**  
Filed pursuant to National Instrument 45-106

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the “United States” (as defined in Regulation S under the U.S. Securities Act). Neither this notice nor the rights offering circular constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.*



**SHOAL POINT ENERGY LTD.**

**Notice to security holders – January 18, 2018**

**We currently have sufficient working capital to last until February 28, 2018 based on current obligations. We require 30% of the offering to last 12 months.**

The purpose of this notice is to advise holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Shoal Point Energy Ltd. (“**Shoal**”) of an offering of rights (“**Rights**”) of Shoal (the “**Rights Offering**”).

References in this notice to we, our, us and similar terms mean to Shoal. References in this notice to you, your and similar terms mean to Shareholders.

**Who can participate in the Rights Offering?**

Each registered Shareholder as at 5:00 p.m. (Eastern time) on January 26, 2018 (the “**Record Date**”) may participate in the Rights Offering.

**Who is eligible to receive Rights?**

The Rights will be offered to registered Shareholders (called “**Eligible Holders**”) resident in each province and territory of Canada (the “**Eligible Jurisdictions**”). You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to Shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“**Ineligible Holders**”).

Ineligible Holders will not receive a Rights Certificate (as defined below) and should consult the below section entitled “How does an Ineligible Holder Participate?” for information regarding how Ineligible Holders can participate in the Rights Offering.

### **How does an Ineligible Holder Participate?**

An Ineligible Holder that is an Approved Eligible Holder (as defined below) will be entitled to participate in the Rights Offering.

An Ineligible Holder that is outside the Eligible Jurisdictions and the United States and satisfies Shoal and its counsel that such offering to and subscription by such shareholder or transferee is lawful and in compliance with all applicable securities and other laws (a “**Approved Eligible Holder**”) may have its Rights Certificates issued and forwarded by Computershare Investor Services Inc., Shoal’s rights agent, upon direction from Shoal.

Computershare will hold the Rights until February 25, 2018 such date being 10 days prior to the expiry of the Rights, in order to give beneficial Shareholders an opportunity to claim the Rights Certificate by establishing they are Approved Eligible Holders.

### **How many Rights are we offering?**

Shoal is offering a total of 544,270,243 Rights.

### **How many Rights will you receive?**

We are offering each Eligible Holder or Approved Ineligible Holder one Right for each Common Share held as at the Record Date.

### **What does one Right entitle you to receive?**

Each Right allows the holder to purchase one Common Share at a subscription price \$0.002 per Common Share (the “**Basic Subscription Privilege**”) until 4:00 p.m. (Eastern time) on March 7, 2018 (the “**Expiry Date**”). Shoal anticipates that it will complete a consolidation of its outstanding share capital on a 25:1 basis prior to the Expiry Date whereupon the terms of the Rights will be concurrently adjusted to provide that each 25 Rights will entitle the holder to purchase one common Share at a price of \$0.05 per share.

Any Eligible Holder or Approved Ineligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Common Shares at the subscription price (the “**Additional Subscription Privilege**”). The Common Shares available under the Additional Subscription Privilege will be those Common Shares issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege.

Any Eligible Holder or Approved Ineligible Holder who exercises their Rights must enclose payment by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc.

### **How will you receive your Rights?**

Registered Eligible Holders – If you are a registered holder of Common Shares, a certificate (a “**Rights Certificate**”) representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this notice.

Beneficial Eligible Holders – You are a beneficial holder of Common Shares if you hold your shares through a securities broker or dealer, bank or trust company or other participant (a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

**When and how can you exercise your Rights?**

If you are a registered Eligible Holder or Approved Eligible Holder who receives a Rights Certificate, you must complete and deliver your Rights Certificate on or before 4:00 p.m. (Eastern Time) on March 7, 2018.

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant on or before 4:00 p.m. (Eastern time) on March 7, 2018 or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

**What are the next steps?**

This notice contains key information that you should know about Shoal. You can find more details in our Rights Offering Circular, a copy of which can be obtained on Shoal's profile at [www.SEDAR.com](http://www.SEDAR.com) or at [www.shoalpointenergy.com](http://www.shoalpointenergy.com), or you can ask your dealer representative for a copy or contact Leslie Young, Corporate Secretary at Shoal at [lyoung@shoalpointenergy.com](mailto:lyoung@shoalpointenergy.com). You should read the Rights Offering Circular, along with Shoal's continuous disclosure record, to make an informed decision.

DATED January 18, 2018

(signed) "*Mark Jarvis*"  
Chief Executive Officer