

SHOAL POINT ENERGY LTD.

December 23, 2010

For Immediate Distribution

Shoal Point Energy Ltd. Announces Drilling update for 3K-39 Well

Shoal Point Energy Ltd. (“Shoal Point”) (SHP on CNSX) received notification on December 21, 2010 from Dragon Lance Management Corporation (“Dragon Lance”) (the “Operator”) that there were deficiencies in several of the applications required to be filed and approved by the regulatory authorities prior to receiving approval to drill. The filing of these applications is the responsibility of the Operator, Dragon Lance, who was notified of these problems directly by the regulatory authorities. The delay in receiving the necessary approvals increases the risk that the drilling of the well will not be initiated by the expiry date of the license, January 15, 2011. The Operator and senior management from both Shoal Point and their joint venture partner Canadian Imperial Venture Corp. are now in St. Johns, Nfld. to address the deficiencies in the filings.

Shoal Point has already advanced in excess of three million dollars to the rig contractor, rig transport contractor and the drill site preparation contractor, such that all necessary work should be completed and the rig will be rigged up and onsite in anticipation of the award of all necessary permits to commence operations.

About Shoal Point Energy Ltd.

Shoal Point Energy Ltd is a public company which will have a 80.75% interest in the shallow rights of Exploration Licence #1070 in the Province of Newfoundland comprising approximately 137,000 acres of Green Point oil-in-shale prospective lands. In addition, Shoal has a 14% interest in a gas prospect in the Province of New Brunswick. Shoal Point Energy Ltd. currently has 135,958,280 common shares issued and outstanding. The increase in common shares outstanding from the previous press release on December 20, 2010, has resulted from the conversion of convertible debentures into common share units.

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Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. The forward looking statements contained in this press release are made as of the date hereof and Shoal Point Energy Ltd. undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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