

SHOAL POINT ENERGY LTD.

December 16, 2010

For Immediate Distribution

Shoal Point Energy Ltd. Announces Additional Financing of \$3,836,000 at \$0.28

Shoal Point Energy Ltd. (“Shoal Point”) (SHP on CNSX) announces that it has received additional financing totaling \$3,836,000 as a result of the exercise of warrants at \$0.28, resulting in the issue of 13,700,000 common shares. The warrants were exercised by two institutional investors who had participated in the private placement financing in November 2010. No commissions or finders fees were paid on the exercise of these warrants.

The funds will used to pay for some of the costs of drilling the new well, 3K-39, which is being drilled on the Company’s joint venture exploration property (EL 1070) in western Newfoundland. At this time, contracts are signed for the drill rig and the delivery of the rig to the property and drilling is expected to commence on or about December 31, 2010.

The Partners in EL 1070 are Shoal Point, Canadian Imperial Venture Corp. (CIVC) and Fire Horse Energy Limited (Fire Horse).

After the completion of well 3K – 39, the interests in EL 1070 will be as follows:

Shoal Point	51.50%
CIVC	19.25%
Fire Horse	29.25%

Other corporate matters:

Warrant Expiry Dates:

The company (Shoal Point) confirms that all of the investor warrants which were to expire on or before December 31, 2010 have been extended for a term of 6 months to June 30, 2011. In addition, the warrants that were to expire on February 7, 2011 have also been extended for a term of 6 months and will now expire on August 7, 2011. The terms of all other investor warrants and broker warrants remain unchanged.

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Stock Options:

Shoal Point has granted 250,000 stock options to Roger Bethell, a consultant to the Company, who is providing oversight on the drilling operations. These options are exercisable at \$0.28 for a period of three years from the date of the grant.

Convertible Debentures:

Shoal Point advises that at November 9, 2010, the date of the going public transaction, the face value of the convertible debentures outstanding was \$2,618,640. The Company has now given notice to all of the debenture holders of its intent to repay the debentures after a 30 day notice period. To date, Shoal Point has been advised that holders of debentures representing a face value of \$1,362,683 have elected to convert their debentures and accrued interest into units at \$0.20 together with a warrant at \$0.28 with an expiry date of November 9, 2012. It is anticipated that the balance of the debentures will be paid out in full after the 30 day notice period.

Shoal Point Energy Ltd. currently has 128,325,428 common shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

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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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