

## Shareholder Update - Feb 25, 2010

The board of directors and management of Shoal Point Energy Ltd. ("SPE" or "the Company") are pleased to provide you, our shareholders, with the following update:

On September 29th, 2009, the Company signed an engagement letter (the "Engagement Letter") with Kingsdale Capital Markets Inc., pursuant to which Kingsdale was to raise an aggregate total of \$5,600,000 for the Company. The Engagement Letter would expire on December 31, 2009.

Up to \$600,000 of the gross proceeds was to be raised by Kingsdale within two weeks of signing the Engagement Letter, along with a further \$2,000,000 to be raised upon signing a letter of intent ("LOI") with regard to a going public transaction. On December 4, 2009, the Company signed an LOI with Black Birch Capital Acquisition I Corp. to complete a transaction that would result in SPE becoming a public company.

In order to allow more time for Kingsdale to achieve its financing goals set out in the Engagement Letter, extensions were granted for the completion of the various financing tranches, but on January 15, 2010, before Kingsdale was able to raise the required capital, the LOI with Black Birch expired.

As a result, the Company has cancelled all exclusive engagements with Kingsdale, and the board is in the process of negotiation with Kingsdale for a continuing, non-exclusive arrangement for future financings.

In order to achieve the goal of becoming listed on a public stock exchange in a relatively short timeframe, SPE is in advanced discussions with respect to a possible strategic business combination with McLaren Resources Inc. ("McLaren"), a public company listed on the CNSX under the symbol "MCL". This combination will significantly enhance the overall capabilities of the group to pursue the Green Point oil-in-shale resource play in Newfoundland. Any such transaction would be subject to regulatory and shareholder approval. Upon a successful business combination, the Company would immediately apply for a listing on the TSX Venture Exchange.

McLaren is an international petroleum exploration company based in Toronto, Canada, with an experienced management team pursuing hydrocarbon exploration opportunities in two politically stable regions: the shale oil play in Western Newfoundland, and conventional gas fields in the Dutch sector of the North Sea.

In addition to the potential strategic business combination, the Company has also signed a farm-in option agreement with McLaren (the "Farm-In Option") with regard to SPE's exploration license EL 1070.

The details of the Farm-In Option are as follows:

- McLaren pays a non-refundable option payment of \$150,000.

- In consideration for paying 32% of the associated drilling costs of EL 1070, McLaren will have the right to earn a 16% interest in 8 of the 15 blocks that make up the Green Point formation on EL 1070.

The net effect of this farm-in is that SPE, as operator, will have reduced its overall cost of drilling each well on these 8 blocks from 61.5% to 29.5%, while only reducing its overall interest in EL 1070 (Green Point) as a whole from 61.5% to 53%.

This Farm-In Option has not only provided SPE with much needed cash, but is also simultaneously providing the Company with significantly reduced risk. Also, in working with the McLaren team, the Company's ability to raise additional capital has been significantly improved.

The Company, over the last eighteen months, has recovered from the failed merger with Union Gold and the resulting shortfall of capital. As a part of that recovery, we have completed a settlement with all of the creditors of the Company in November 2009. In terms of Company operations, we have been active on both our properties in Western Newfoundland (Shoal Point) and in New Brunswick (South Stoney Creek).

The following summarizes the major recent achievements of the Company:

#### **Shoal Point EL 1070 (Western Newfoundland)**

- Increased our working interest in EL 1070, on the promising Green Point formation, from 45.5% to 61.5%.
- Removed all liens and mortgages on EL 1070, previously held by CIVC Creditor Corp.
- Carried out field and geochemical studies of the Green Point shale in and around EL 1070; this information will be input into the application for a Significant Discovery (Production) License. Began planning for the upcoming drill program, which will consist of a combination of shallow geotechnical holes, stratigraphic core holes, and horizontal wells completed for production.
- Hired Jock McCracken, who was Petro Canada's leading Shale Gas/Shale Oil expert, to lead our project and our application for a Significant Discovery License on EL1070 that will be made to the government this summer.
- Farm-In Option agreement with McLaren Resources (detailed above).

#### **South Stoney Creek (New Brunswick)**

- Renegotiated our participation agreement with Contact Exploration, to include the prolific Fredrick Brook shale gas play which is on the same trend as Corridor Resources recent discovery. We have currently earned a 14% interest (all depths), with an option to increase our interest to 20%. Management believes that both the South Stoney Creek property and the Green point formation hold significant promise, and provide the Company with two outstanding plays.

SPE's board of directors and management are encouraged by recent meetings with McLaren and other financing sources. We are optimistic that we will raise the capital currently required by the Company and negotiate an agreement that is favourable to our shareholders as we become a public company.

We thank you for your continued support as we develop Shoal Point Energy into a successful oil and gas company.

Please contact either of us should you have any questions:

John Wright, Executive VP and Director    George Langdon, President

Phone: 403-973-1371

Phone: 403-973-1378

Email: [jwright@shoalpointenergy.com](mailto:jwright@shoalpointenergy.com)

Email: [glangdon@shoalpointenergy.com](mailto:glangdon@shoalpointenergy.com)