



18th December 2012

SHOAL POINT ENERGY SIGNS A LETTER OF INTENT FOR A JOINT VENTURE TO EXPLORE AND DEVELOP ITS GREEN POINT SHALE LICENSES, WEST NEWFOUNDLAND

Shoal Point Energy Ltd. (“SPE”) has signed a Letter of Intent regarding a proposed transaction between SPE and Foothills Capital Corp., and its subsidiaries, Black Spruce Exploration Corp. (“BSE”), and Foothills North West Holdings Corp (“FNW”).

BSE and FNW intend to enter into Definitive Agreements with SPE on or before January 11, 2013, subject to respective corporate and regulatory approvals, whereby (1) FNW will participate in a private placement for a minimum of 35 million units @ \$0.06 (representing a minimum \$2.1 million investment, and comprised of common shares and a common share purchase warrant exercisable for 18 months @ \$0.15), and whereby (2) BSE will execute a farmin agreement giving it the right to earn up to a 60% interest of SPE’s interests in three (3) Exploration Licenses (“EL’s”) offshore western Newfoundland. The earn in will occur by a staged work program whereby BSE can earn incremental components of interest by drilling on SPE’s lands. All wells are contemplated as onshore-to-offshore deviated drill programs, and will be designed to reach depths of up to 3000 metres. BSE will be the Operator of the four wells.

Farmin Program:

Phase I Earning (2013-2014): During this phase BSE will pay 100% of the costs of drilling, testing and completing four wells on ELs 1070, 1120 and 1097R, to earn BSE a 50% interest in SPE’s interests. This phase is expected to commence by May 1, 2013.

Phase II Earning (2014-2015): During this phase BSE will pay 100% of the costs of drilling, testing and completing up to eight wells to earn up to an additional 10% of SPE’s interest in its three blocks.

The drilling, testing and completion programs contemplated herein will be subject to approvals of the Canada-Newfoundland Offshore Petroleum Board.

Final Earning Position: For clarity, the maximum amount of gross interest that BSE can earn under this agreement is: 60% of EL 1097R, 60% of EL 1070, and 48% of EL 1120 (operated and held by Ptarmigan Energy Inc.).

Application for Significant Discovery Licenses: Upon the successful testing and recovery of petroleum in an exploration well on a particular license, the two parties shall cooperate to apply to the Canada-Newfoundland Offshore Petroleum Board for a Significant Discovery License (“SDL”) for that property, which when awarded shall allow the parties to hold, develop and produce from the lands.

About Foothills Capital Corp.

Foothills Capital Corp. (“Foothills Capital”), with offices in Richmond Hill, ON and Calgary, AB, provides investment capital and management expertise to companies engaged in the energy sector. Foothills Capital looks to identify long-term, sustainable revenue-growth companies or opportunities and, where applicable, provide capital, strategic direction and collaborative planning with management in order to maximize returns.

The principals, as a combined group, have worked in the energy sector directly or indirectly for more than 50 years, engaging in transactions that range from \$1 million to more than \$200 million in value. Foothills Capital, under *TRP Holdings, Corp.*, presently operates in the Bakken shale-oil formation through its subsidiary entity *Bakken ND Pipe & Supply, LLC*, which is located in Ross, North Dakota.

About Shoal Point Energy Ltd.

Shoal Point Energy Ltd is a Canadian-listed public company (SHP:CNSX) with a large working interest position in a regionally-extensive “tight” oil play within the Cambro-Ordovician Green Point Formation (“Shale”) of western Newfoundland. The Green Point is an approximate stratigraphic equivalent, within the northernmost Appalachians, of the well-known Utica Formation currently under development in the United States. The company’s technical database, in addition to third-party analysis, indicates that the Green Point contains a very large resource in the oil window, and the Company has dedicated itself, in cooperation with its partners, to bringing this resource to production over the next several years.

SPE’s current holdings in western Newfoundland consist of: (1) a 100% working interest in the Green Point shale rights (“shallow rights”) in EL 1070, comprising approximately 150,000 acres of prospective shale area, (2) a right to earn an 80% working interest in the “shallow rights” within a nearshore portion of EL 1120, held by Ptarmigan Energy Inc., comprising approximately 67,000 acres, and (3) a 100% working interest in all rights in EL 1097R,

comprising approximately 500,000 acres, for a total exposure of approximately 720,000 gross acres to the Green Point “Shale” play.

Shoal Point currently has ----- Common Shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

View Shoal Point Energy’s recent management interviews at:
www.shoalpointenergy.com/media.php

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