



January 14, 2013

**SHOAL POINT ENERGY CONCLUDES DEFINITIVE FARMOUT AGREEMENT
WITH BLACK SPRUCE EXPLORATION FOR ITS GREEN POINT SHALE
LICENSES, WEST NEWFOUNDLAND**

Toronto, Ontario: Shoal Point Energy Ltd. (“Shoal Point” “SPE” or the “Company”) (SHPNF on OTCQX) (SHP on CNSX) has concluded a Farmout Agreement (“Agreement”) with Black Spruce Exploration Corp. (“BSE”), a subsidiary of Foothills Capital Corp. This Agreement follows a Letter of Intent between the two parties as announced on December 17, 2012. The Agreement contemplates the continued exploration and development of SPE’s approximately 720,000 gross acres of Green Point “oil-in-shale” rights in offshore west Newfoundland.

The terms of the Agreement allow for two phases of earning during 2013-2015 which give BSE the right to earn up to 60% of SPE’s working interests in its three Exploration Licenses (EL’s). Details of this earning program are presented below:

Phase I Earning Program (2013-2014):

BSE will drill one well on each of EL’s 1070, 1120, and 1097R.

- on EL 1070, the Shoal Point 3K39 well will by June 15, 2013 be re-entered and sidetracked from surface casing to drill, stimulate, complete and evaluate prospective oil-bearing zones within the Green Point shale formation. Earning depth of the well will be 1800 metres below sea level;
- on EL 1120, a well will be drilled, stimulated, and completed to evaluate prospective oil-bearing zones within the Green Point shale formation. Earning depth of the well will be 3000 metres below sea level;
- on EL 1097R, a well will be drilled, stimulated, and completed to evaluate prospective oil-bearing zones within the Green Point shale formation. Earning depth of the well will be 3000 metres below sea level;

Having met the conditions of the above program, BSE will earn a 40% interest in SPE's working interest rights, that is, 40% of "shallow rights" in EL 1070, where SPE currently holds a 100% working interest, 40% of all rights in EL 1097R, where SPE currently holds a 100% working interest, and 32% of "shallow rights" in EL 1120, where SPE currently holds the right to earn an 80% working interest from Ptarmigan Energy Inc. by drilling a well to test the Green Point shale. (*n.b.* The definition of "shallow rights" includes all Green Point rights on these properties).

Optional Phase 1 Earning Well: Upon rig release at the third earning well above, BSE will have the right to elect, within a period of 60 days, to drill, stimulate, complete and evaluate a fourth well at a location of its choice, on either of the three EL's noted above, to earn an additional 10% of SPE's working interest in all three properties. Having so elected, BSE will be required to spud this well by April 30, 2014.

If all the conditions of Phase 1 Earning are met, then BSE will hold a 50% working interest in SPE's rights in west Newfoundland (50% of "shallow rights" in EL 1070; 50% of all rights in EL 1097R, and 40% of "shallow rights" in EL 1120) at the conclusion of Phase 1 Earning.

Application for Significant Discovery Licenses: During Phase 1 earning, upon the successful testing and recovery of petroleum in an exploration well on a particular license, BSE and SPE (the "Parties") will cooperate to apply to the Canada-Newfoundland Offshore Petroleum Board for a Significant Discovery License ("SDL") for that property, which when awarded will allow the parties to hold, develop and produce from the lands.

Phase II Earning Program (2014-2015):

Upon meeting all of the conditions of the above Phase I Earning Program, BSE will have the right to elect by July 31, 2014 to proceed to the Phase 2 Earning Program, whereby it can earn up to an additional 10% working interest in SPE's interests, as defined at the close of Phase 1 above, by drilling up to eight (8) wells at locations of BSE's choice across the three properties. The number and location of Phase 2 earning wells must be specified upon election. Having so elected, BSE will have to spud the first Phase 2 earning well by September 15, 2014.

Each Phase 2 earning well will consist of drilling, stimulation, completion and evaluation of the Green Point "oil-in-shale" formation, or equivalent units, to an earning depth of 3000 metres below sea level.

Upon conclusion of each Phase 2 Earning Well, BSE will earn an incremental 1.25% interest in all SPE's working interest rights in western Newfoundland, up to a maximum of 10%. For example, if BSE concludes four of the eight earning wells, it will have earned an additional 5% of SPE's interests, and so on.

If the maximum earning conditions of the Phase 1 Earning Program and Phase 2 Earning Program are met, BSE will have earned 60% of SPE's interests in west Newfoundland, as described above.

All wells in Phases 1 and 2 are contemplated as sited at onshore locations and deviated to the offshore rights.

Operatorship

BSE will become the Licensed Operator of the wells once the appropriate regulatory approvals have been obtained and prior to the spudding of Phase 1 wells.

Seismic Program

The Parties will, on a best efforts basis and subject to the availability of a seismic vessel in western Newfoundland, jointly plan and shoot a 2D seismic program over EL 1097R and EL 1120 in 2013 or 2014. The program will consist of approximately 130 line kilometres of data, at an estimated cost of \$1 million. BSE will be responsible for the first \$1 million in associated expenditures, after which the Parties will share any additional expenditures according to their final working interests in the Farmout Lands once all earning operations are completed.

Area of Mutual Interest and Exclusion Area

The Agreement establishes an Area of Mutual Interest (AMI) which encompasses the existing Farmout Lands described above as well as an Area of Exclusion pertaining to other lands prospective for Green Point shale in western Newfoundland. The AMI provides a means for the Partners to cooperate fully in future exploration and development outside the Farmout Lands.

All drilling, testing, completion, and seismic programs contemplated herein will be subject to approvals of the Canada-Newfoundland and Labrador Offshore Petroleum Board and the Newfoundland and Labrador Department of Natural Resources.

Private Placement Financing

According to the terms of the Letter of Intent announced on December 18, 2012, an affiliated company of BSE has committed to subscribe for \$2,100,000 of a private placement being completed by SPE. The SPE private placement for a total of \$5,000,000 (this may be increased by up to 50%) is comprised of units at \$0.06 per unit. The hard dollar units include a full warrant exercisable at \$0.15 for eighteen months, while the flow-through units include a half-warrant exercisable at \$0.15 for eighteen months.

To date, SPE has closed a total of 57,822,495 units for gross proceeds of \$3,469,350. This financing includes \$750,000 invested by an affiliate of BSE. The balance of this financing including the further contribution by the affiliate of BSE of \$1,350,000 is scheduled to close on or before January 31, 2013.

About Black Spruce Exploration Corp.

Black Spruce Exploration Corp., (“BSE”), with offices in Calgary, Alberta and Richmond Hill, Ontario, is an exploration and production company with property rights, licenses and interests in the province of Newfoundland. A wholly-owned subsidiary of Foothills Capital Corp. (www.foothillscapcorp.com), Black Spruce Exploration has signed, as of January 11, 2013, a farm-in agreement with Shoal Point Energy Ltd.

As operator, Black Spruce Exploration has the mandate to determine the best methodology for the extraction of hydrocarbons from an extensive oil-in-shale play on the west coast of Newfoundland, ranging 180 kilometres from Port au Port Bay northward to just past the Parsons Pond area. To achieve this objective, Black Spruce Exploration, under the direction of its board of directors, and in conjunction with Shoal Point Energy, will determine the best strategy for this shale-oil development. It will also employ the investment capital it receives from Foothills Capital Corp. and its shareholders to execute its strategic plan.

Black Spruce Exploration Equipment is making arrangements with its affiliated companies to bring a drilling rig, drill pipe, casing pipe, tubing pipe, heavy picker truck, hauling trucks and a skidding unit, machine lathes and other field support equipment from various affiliates of Foothills Capital Corp. in order to ensure that Black Spruce Exploration has the necessary equipment to safely and effectively properly drill and develop hydrocarbon energy reserves on the west coast of Newfoundland.

The board of directors of Black Spruce Exploration Corp. has over 100 years combined experience directly or indirectly in the energy sector, engaging in transactions that have ranged from \$1 million to over \$1 billion in value. Board members have worked for or with junior companies or large international players such as Conwest Exploration Inc., Alberta Natural Gas, Bayridge Resources Limited, HESS Corporation, Burlington Resources, Gulf Oil, EnCana, Exxon, Helmrich & Payne, Nabors Drilling, CNRL, UPRI, British Petroleum America, Shell, Southwest Energy, Chesapeake Energy, Talisman and Statoil. Full details of the officers and directors of BSE will be provided on the BSE website at www.blspexp.com which is expected to be fully updated by January 21, 2013.

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. The officers and directors have worked in other oil and gas shale formation plays throughout the United States, as well as in conventional oil and gas fields in the United States and Canada.

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 330,531,959 common shares issued and outstanding.

Visit our website at www.shoalpointenergy.com

For further information, please contact:

David Black - 416-637-2181 ext 308
Hayley Clift - 416-637-2181 ext 306

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.