



The following is for release in Canada at 10:30 a.m., Thursday, July 18, 2002.

**SHARON ENERGY LTD.**  
**ANNOUNCES YEAR END FINANCIAL & OPERATING RESULTS**  
*(Sharon Energy Ltd. reports its financial results in U.S. dollars)*

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Sharon Energy Ltd. today reported the financial and operating results for the year ended March 31, 2002.

Lower production volumes and commodity prices resulted in lower revenue and cash flow for the year. Revenue declined to \$428,000 compared with \$981,000 a year earlier and cash flow totalled \$54,000 for the year compared with \$638,000 in the prior year.

A negative revision in the Company's reserve estimates, combined with lower commodity prices at year end, resulted in a \$1.5 million write-down of the carrying value of the Company's oil and gas assets with Sharon reported a loss of \$1,668,000, or \$0.08 per share for the year.

Sharon also updated its activities in its three principal operating areas. In Texas, the Company has completed leasing on three high impact Wilcox prospects in Colorado County. Currently, the Company is negotiating with joint venture participants to evaluate these deep prospects. In Wyoming, the Company holds interests in three producing gas wells on its Fillmore prospect, with an additional well planned for this fall. With lower, currently prevailing, Rocky Mountain gas prices, the Company has extended the leases on its higher working interest lands and anticipates further activities at year end.

In Canada, the Company holds a 10% working interest in 15 sections of land in the Sedalia area of east-central Alberta. Detailed seismic evaluation is being finalized, with the first well in a multi-well program slated for August, 2002. In August, Sharon will also participate in the drilling of a potential high impact well on an oil prospect at Brock in southeastern Saskatchewan. Sharon has a 6% interest in four sections of land on the prospect.

**SUMMARY OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31**

	<u>2002</u>	<u>2001</u>
Revenue	\$ 428,170	\$ 980,523
Cash flow	\$ 54,118	\$ 638,399
Cash flow per share	\$ 0.00	\$ 0.04
Net earnings (loss)	\$ (1,668,476)	\$ 502,397
Net earnings (loss) per share	\$ (0.08)	\$ 0.03
Working capital (deficiency)	\$ (813,097)	\$ 360,467
Shares outstanding	22,700,800	19,950,800
Natural gas production (mcf/d)	268	526
Oil production (bbls/d)	19	18
Boe/d (6mcf - 1bbl)	63	105

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Sharon Energy Ltd., is a junior oil and gas company currently conducting active natural gas exploration programs in Texas, Wyoming and Alberta.

*Forward looking statements - statements included in this press release that are not historical facts may be considered "forward looking statements." All estimates and statements that describe the Company's objectives, goals or future plans are forward looking statements. Forward looking statement involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.*

FOR FURTHER INFORMATION, PLEASE CONTACT:

H.C. Kip Ferguson, III, President  
Houston, Texas  
SHARON ENERGY LTD.  
Telephone: (713) 789-5395  
Fax: (713) 789-8454  
TSX: SHY

Robert W. Lamond, Chairman  
Calgary, Alberta  
SHARON ENERGY LTD.  
Telephone: (403) 269-9889  
Fax: (403) 269-9890