



SHARON ENERGY LTD.

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The following is for release in Canada at 7:00 a.m., Wednesday, September 3, 2003.

**SHARON COMMENCES DRILLING 17,000 FOOT TEXAS WELL AND  
ENTERS INTO AGREEMENT TO DRILL SIGNIFICANT  
DEEP WILCOX PROSPECT**

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Sharon Energy Ltd. today announced that the second well on the Mustang Creek Prospect, the Lehrer #2, commenced drilling on September 1, 2003. The Lehrer #2 well is planned to drill to 17,000 feet to test deeper Wilcox sands identified on 3D seismic and to intersect the lower Wilcox sands encountered in the Lehrer #1 well at a structurally higher elevation and to further delineate the size of the pool discovered by the Lehrer #1 well. Sharon has a 9% working interest in the Lehrer #2 well. The Lehrer #1 well is currently producing at a rate of 2.3 MMcf/d from three shallower sands.

In addition, Sharon reports that it has executed a letter of intent to farm-out to and participate with a major U.S. independent, in the drilling of a 15,500 foot exploration well on its second prospect within the Company's core exploration area on the Lower Wilcox Trend in Lavaca County, Texas. The Prospect is approximately nine miles southwest of the Company's successful first well on a prospect at Mustang Creek in Colorado County, Texas. Sharon will receive \$71,000 as reimbursement for land and geophysical costs and will pay 15% of the drilling costs to retain a 22.5% working interest, at casing point, in the second prospect.

Sharon Energy Ltd. is a junior oil and gas company currently conducting active natural gas exploration programs in Texas, Wyoming and Alberta. Sharon is currently focused on exploring for natural gas in Alberta and deep Wilcox gas in Texas.

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*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 statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.*

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