



SHARON ENERGY LTD.

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The following is for release in Canada at 7:00 a.m., Tuesday, February 24, 2004.

SHARON UPDATES ACTIVITIES

Sharon Energy Ltd. is pleased to announce the drilling results from its fall and winter drilling program and updates its current operations.

In the U.S., the Mustang Creek - Lehrer #2 well completion operations have been concluded and the well is currently producing 1.1 MMcf per day at 4,900 psi. The operator plans to gradually increase the production from this well. Sharon has a 9% working interest in this well.

Completion operations at the Hound Dog - Ray Dickson #1 well are still underway. The well was completed in the lowest Wilcox sand in the wellbore, which is down dip and is nearly one mile from the crest of the structure. The sand has been proven to be gas bearing with a bottom hole pressure of 14,375 psi. The well was tested up casing at rates of up to 400 Mcf per day at a flowing pressure of 1,500 psi and is cleaning up after the fracture treatment. The operator plans to temporarily suspend production from this zone and stage complete the next Wilcox sands in the wellbore, which Sharon believes are higher on the structure and based on log and core analysis have better porosity and permeability than the first zone completed. This operation will commence as soon as service equipment is available. Final completion and commingling of the sands should occur within the next few months. Sharon has a 22.5% working interest in this well.

In Canada, Sharon has two wells in the Jaslan area which have been tied-in and are being put on production, which will add up to 500 Mcf per day net production to Sharon.

Sharon 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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