



SHARON ENERGY LTD.

#1800, 633 Sixth Avenue S.W.
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T2P 2Y5 Canada

The following is for immediate release in Canada, Thursday, August 26, 2004.

SHARON GRANTS INCENTIVE STOCK OPTIONS

Sharon Energy Ltd. today announced that the Corporation has approved the granting of options to purchase up to 550,000 common shares at an exercise price of \$0.15 per share. These options have been granted to two officers of the Corporation.

The options vest as to one-third on the date of grant and one-third on the first and second anniversaries of the date of grant and expire on August 24, 2009. Subsequent to the granting of these options, the Corporation will have a total of 1,930,000 options outstanding, or 5.8% of its outstanding shares.

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.

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.