



SHARON ENERGY LTD.

1800, 633 Sixth Avenue S.W.  
Calgary, Alberta  
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The following is for immediate release in Canada, Monday, December 6, 2004.

## **SHARON ENERGY ANNOUNCES \$1,000,000 FLOW-THROUGH SHARE FINANCING**

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Sharon Energy Ltd. announces that it has entered into an agreement with First Associates Investments Inc. to act as lead agent in respect of the issuance of up to 5,000,000 shares of the company on a flow-through basis at an issue price of \$0.20 per share on a best effort private placement basis. Sharon will issue to the agent options to purchase such number of common shares as is equal to 10% of the number of shares issued pursuant to the agreement which options will be exercisable at a price of \$0.20 per share for a period of 12 months from the date of closing. Closing is subject to receipt of all necessary regulatory approvals, but in no event later than December 31, 2004.

Sharon has agreed to incur and renounce to the subscribers, qualified Canadian exploration expenditures in an amount equal to the issue price, effective December 31, 2004.

Proceeds from the offering will be used to fund the Company's exploration and development program in Canada during 2005.

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.

*This press release does not constitute an offer to sell or the solicitation of an offer to buy the common shares in any jurisdiction. Such securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person absent registration, or an applicable exemption there from.*

### **NOT FOR DISSEMINATION TO THE UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES**

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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.**