



SHARON ENERGY LTD.

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The following is for release in Canada at 7:00 a.m., Thursday, December 30, 2004.

SHARON ANNOUNCES CLOSING OF \$800,000 PRIVATE PLACEMENT

Sharon Energy Ltd. is pleased to report that it has closed an offering of 4,000,000 common shares on a flow-through basis at a price of \$0.20 per share resulting in gross proceeds of \$800,000. The offering was conducted on a best effort basis through First Associates Investments Inc. as agent. The shares were issued on a private placement basis and their resale is subject to restrictions, under applicable securities laws, until April 30, 2005. Sharon will also issue to the agent options to purchase 400,000 common shares at \$0.20 per share exercisable at any time prior to December 29, 2005.

After giving effect to the offering, Sharon has 37,555,598 common shares outstanding.

Proceeds from the offering will be used to incur eligible Canadian Exploration Expenses.

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.**