



SHARON ENERGY LTD.

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The following is for immediate release in Canada, Friday, August 12, 2005.

## **SHARON SELLS NON-CORE U.S. PROPERTIES**

*(Expressed in U.S. Dollars)*

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Sharon Energy Ltd. today announced that the sale of its interest in eight wells in the Fillmore Field, Wyoming and five wells in Blessing Field, Texas for a consideration of U.S. \$643,000.

These properties, in which Sharon held minor interests ranging from 1.5% to 5%, had reserves of approximately 5,600 barrels of oil and 106,013 Mcf of gas. The sale price resulted in values of approximately \$27.58 (\$33.78 Cdn) per BOE, or \$31,520 (\$38,602 Cdn) per flowing barrel.

Sharon's decision to sell these properties relates to a commitment to focus on expanding its successful exploration efforts in the Wilcox trend of Lavaca and Colorado Counties, Texas. The sale will result in a reduction of the Company's net debt from \$3.5 million, at June 30, 2005, to \$2.9 million. With Sharon's cash flow currently exceeding \$150,000 per month, management is now satisfied that the Company has achieved a satisfactory level of financial leverage.

Sharon also wishes to confirm that the previously announced Wilcox gas well on the Hound Dog prospect, Lavaca County, Texas, in which Sharon's interest is 22.5%, is flowing steadily at 4.5 MMcfd. Plans are currently being formulated for additional drilling on this prospect.

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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.**