



SHARON ENERGY LTD.

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The following is for immediate release in Canada, Wednesday, October 5, 2005

**SHARON INCREASES INTEREST IN HOUND DOG PROSPECT,
LAVACA COUNTY, TEXAS AND UPDATES U.S. PRODUCTION**

Sharon Energy Ltd. announces that it has completed the purchase of an additional 5.625% working interest in the Hound Dog Dickson #1 well and adjacent lands, increasing Sharon's working interest to 28.125%.

The Hound Dog Dickson #1 well is currently producing 3.8 MMcfd from the Wilcox #8 gas zone. Three other Wilcox gas zones, up hole in the well, have yet to be completed.

In addition, plans are underway to drill a second well on the Hound Dog prospect in the first quarter of 2006. The well will be drilled to a depth of 16,700 feet targeting multiple Wilcox gas zones.

With this purchase Sharon's working interest in current gas production in the U.S. increased to approximately 2.0 MMcfd or 333 BOEd.

Sharon Energy Ltd. is a junior oil and gas company currently conducting active natural gas exploration programs in Texas and Alberta.

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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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