



SHARON ENERGY LTD.

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The following is for immediate release in Canada, Tuesday, January 10, 2006.

SHARON COMMENCES DRILLING FOLLOW-UP WELL ON THE HOUND DOG PROSPECT, LAVACA COUNTY, TEXAS

Sharon Energy Ltd. today announced that drilling operations have commenced at its Hound Dog Prospect, Lavaca County, Texas. The well, Camden Resources R. Dickson #2, was spudded on January 7, 2006 and is expected to take approximately 70 days to reach the proposed depth of 17,000 feet.

The well is located 2,150 feet southeast of its discovery well, the R. Dickson #1, but is a new pool wildcat targeting four deeper Wilcox zones, one of which tested gas in the offset R. Dickson #1 well. Sharon has a 25.3% working interest in this well.

The R. Dickson #1 well is currently producing at 3.8 MMcf per day and has a cumulative production of 0.65 BCF.

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

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