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SHARON ANNOUNCES SIGNIFICANT IMPROVEMENT IN FINANCIAL & OPERATING RESULTS FOR NINE MONTHS ENDED DECEMBER 31, 2005

Sharon's financial results are expressed in U.S. Dollars

Sharon Energy Ltd. reports that its production volumes nearly tripled, to average 317 BOEd for the nine months ended December 31, 2005 from 111 BOEd in 2004, which resulted in substantial increases in revenue, cash flow and earnings for the period. Sharon's production for the third quarter averaged 415 BOEd.

Total revenue increased by approximately 344%, to \$3.0 million compared with \$682,000 for the same period in 2004. Cash flow increased to \$2.3 million, or \$0.06 per share from \$215,000 and the Company reported earnings totaling \$829,000 compared with a loss of \$682,000 for the same period in 2004.

In February 2006, the Allen Ranch Hancock #2 well was completed in one of eight potential Wilcox gas zones with the deepest zone being completed and stimulated in February 2006. The well is currently producing at a rate of 3.5 MMcfd, which is a restricted rate due to the current limits of the natural gas processing facility for the field. The processing facility is currently being expanded to handle increased production capabilities. Sharon has a 14% interest in this well.

Also in February 2006, the Allen Ranch Hancock #1 well was completed in a fourth Wilcox zone and is currently flowing at 5.0 MMcfd, which is also restricted due to processing facility constraints. Sharon has a 14% interest in this well.

Relevant to Sharon's reserve potential in the Allen Ranch area, a competitor recently announced that it had drilled a deep, 17,500 foot Wilcox gas well, approximately one-half of a mile north of Sharon's acreage and had encountered 222 feet of gas pay. The competitor has now moved its rig to drill a similar deep well only 550 feet north of Sharon's lease line. The Company is greatly encouraged that the potential for deep Wilcox gas production has now been demonstrated in this area and further development could result in a significant increase in the Company's gas reserves.

The Dickson #2 well, in which Sharon has a 25% working interest, is currently drilling at a depth of 15,850 feet. The well is targeting multiple Wilcox gas zones and is expected to reach the total depth of 17,000 feet by March 1, 2006. To date, the well has encountered multiple gas shows based on samples and mud log results.

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.

**SUMMARY OF OPERATIONS**

<i>(expressed in U.S. Dollars)</i>	Nine Months Ended	
	December 31	
	2005	2004
Financial		
Total revenue (net of royalties)	\$ 3,028,100	\$ 681,608
Cash flow	\$ 2,272,265	\$ 215,098
Cash flow per share	\$ 0.06	\$ 0.01
Earnings (loss) for the period	\$ 828,729	\$ (681,816)
Earnings (loss) per share	\$ 0.02	\$ (0.02)
Capital		
Additions	\$ 4,147,749	\$ 1,465,977
Dispositions	\$ 649,944	\$ 150,000
Net debt	\$ 4,584,202	\$ 2,932,806
Total assets	\$ 10,588,611	\$ 4,292,571
Operations		
Production		
Gas (Mcf)	1,670	521
Oil (Bopd)	37	21
BOEd (6mcf =1bbl)	317	111
Product Prices		
Gas (\$/Mcf)	\$ 7.71	\$ 4.70
Oil (\$/Bbl)	\$ 53.03	\$ 37.29
Total shares outstanding, at period end	38,811,065	37,555,598

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