



SHARON ENERGY LTD.

1800, 633 Sixth Avenue SW  
Calgary, Alberta  
T2P 2Y5 Canada

**SHARON REPORTS IMPROVED FINANCIAL & OPERATING RESULTS  
FOR FIRST SIX MONTHS OF 2006**

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

CALGARY, November 28, 2006 – Sharon Energy Ltd. (TSX-V: SHY) is pleased to report that financial and operating results for the six months ended September 30, 2006 were significantly improved over the prior year period due to a 50% increase in net gas production. Net revenue and cash flow from operations for the six months ended September 30, 2006, each increased by 20% over the prior year to \$1.7 million and \$1.2 million respectively.

Declining natural gas prices during 2006 necessitated a reduction in the overall capital spending program for the year resulting in the postponement of lower productivity infill gas well drilling in Alberta and delaying new deep Wilcox projects in Texas.

Since the end of September 2006, natural gas prices have strengthened as the fundamentals supporting gas prices have become increasingly favourable. Natural gas storage in the United States, which had been excessively high on an annual basis is trending towards a more normal seasonal level and gas targeted rig activity in the U.S. and Canada has dropped considerably.

In response to this more favorable trend, Sharon plans to gradually increase its level of drilling activity and will recommence an active development program in Alberta, as well as commence deep Texas drilling, during January to March of 2007.

**Financial**

The 50% increase in natural gas production volumes was offset by declining gas prices resulting in an overall increase in revenues for the second quarter ended September 30, 2006. Revenues, net of royalties, totaled \$1.7 million compared with \$1.4 million reported for the same period in 2005. Operating expenses increased to \$238,000 from \$167,000 reported in 2005 as a result of increased production levels and equipment costs. At September 30, 2006, the Company's net debt was \$2.8 million versus \$3.0 million at September 30, 2005. The Company has added a new credit facility, in the quarter, with Alberta Treasury Branch (ATB) of \$895,000 (\$1.0 million Canadian), which will be used to support Canadian drilling and development activity. Sharon has used \$152,000 of the facility at September 30, 2006.

**Production**

Production for Q2 2006 increased by 20% to average 312 BOEd compared with 259 BOEd for the same period in 2005. Natural gas production for the six months ended September 30, 2006 increased by 50% to average 1,801 Mcfd compared with 1,197 Mcfd of gas for the six month period in 2005. Oil production averaged 34 Bopd versus 45 Bopd one year earlier.

FOR FURTHER INFORMATION, PLEASE CONTACT:

*H.C. (Kip) Ferguson, III, President*

Houston, Texas  
SHARON ENERGY LTD.  
Telephone: (713) 789-5395  
Fax: (713) 789-8454

*Robert W. Lamond, Chairman*

Calgary, Alberta  
SHARON ENERGY LTD.  
Telephone: (403) 269-9889  
Fax: (403) 269-9890



# SHARON ENERGY LTD.

1800, 633 Sixth Avenue SW  
Calgary, Alberta  
T2P 2Y5 Canada

## Summary of Operations

(Unaudited, thousands, in US Dollars)

(except per share amounts)

### Six Months Ended

#### September 30

	2006	2005
<b>Financial</b>		
Total net revenue	\$ 1,720	\$ 1,439
Cash flow from operations	\$ 1,154	\$ 958
per share, diluted	\$ 0.02	\$ 0.02
Earnings for the period	\$ 11	\$ 13
per share, diluted	\$ 0.00	\$ 0.00
Capital		
Additions	\$ 2,308	\$ 1,189
Dispositions	\$ (23)	\$ (650)
Net debt	\$ 2,806	\$ 2,970
Total assets	\$ 13,216	\$ 6,903
<b>Operations</b>		
<b>Production</b>		
Gas (Mcf)	1,801	1,197
Oil (Bopd)	34	45
BOEd (6Mcf = 1Bbl)	334	245
<b>Product Prices</b>		
Gas (\$/Mcf)	\$ 6.01	\$ 6.66
Oil (\$/Bbl)	\$ 63.31	\$ 51.60
<b>Total shares outstanding, at period end</b>	<b>51,419</b>	<b>38,532</b>

#### SEDAR Filings

Further information regarding financial and operating results may be obtained at [www.sedar.com](http://www.sedar.com), where the Company's MD&A and financial statements have been filed.

**BOE Presentation** - The term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this report are derived by converting gas to oil in the ratio of six Mcf of gas to one Bbl of oil.

**Financial Reporting** - All numbers are reported in U.S. dollars.

*Forward-looking statements – the press release today contains “forward-looking” information. Actual results could differ materially from the conclusions, forecasts or projections in the forward-looking information. Certain material factors and assumptions were applied in drawing the conclusions or making the forecasts or projections as reflected in the forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information and the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection as reflected in the forward-looking information is contained in the press release.*

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.