



SHARON ENERGY LTD.

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The following is for immediate release in Canada, Thursday, May 24, 2007

## **SHARON ANNOUNCES A PROPOSED \$6 MILLION PRIVATE PLACEMENT FINANCING**

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**Sharon Energy Ltd. (TSX-V: SHY)** announces that the Company has entered into an agreement with D&D Securities Company (the "Agent") for a private placement, on a best efforts agency basis, of up to \$6 million in units (15,000,000 units) at a subscription price of \$0.40 per unit. Each unit consists of one common share and one-half of one warrant. Each whole warrant is exercisable into one additional common share at an exercise price of \$0.50 for a period of 18 months from initial closing of the offering.

The net proceeds from the offering will be added to Sharon's working capital and allow Sharon to take advantage of the improving natural gas markets through an accelerated capital expenditure program. This will provide funds for the anticipated completion of the Cheney #1 well, currently drilling at approximately 14,000 feet. The proposed total depth of the Cheney #1 well is 18,100 feet targeting multiple Wilcox gas zones. Sharon estimates that the well should reach the proposed depth by mid to late July 2007. The funds will also enable Sharon's participation in two new wells planned on gas prospects at NW Speaks and Wharco-Schilling located in Texas.

Humboldt Capital Corporation ("Humboldt") has indicated that it intends to subscribe for 2.5 million units for an aggregate subscription price of \$1,000,000. R.W. Lamond and Humboldt together own 19,020,667 common shares of the Company (35.9%). R.W. Lamond has options to purchase a further 100,000 common shares and Humboldt has warrants to purchase a further 2,000,000 common shares of the Company. R.W. Lamond owns approximately 67.4% of the outstanding common shares of Humboldt. Assuming the maximum number of units are issued, R.W. Lamond and Humboldt together will own 21,520,667 common shares of the Company (31.7%) and warrants and options exercisable, in aggregate, for the purchase of an additional 3,350,000 common shares. Two of the directors of Humboldt and certain officers are also directors and officers of Sharon.

The Agent will receive a commission which includes a cash payment equal to 6% of the gross proceeds raised in the unit offering, other than units sold to Humboldt. The Agent will also receive broker's warrants to purchase units in the amount equal to 6% of the aggregate number of units issued in the offering, other than units sold to Humboldt, exercisable for a period of 18 months from the initial closing at \$0.40 per unit.

Closing of the offering is scheduled for June 18, 2007, and is subject to satisfaction of certain conditions, including receipt of all required regulatory approvals.

This News Release does not constitute an offer to sell or the solicitation of an offer to buy any common shares or warrants within the United States. The common shares and warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, common shares and warrants may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under 1933 Act and applicable state securities laws or an exemption from such registration is available.

*Sharon is an oil and gas exploration and production company based in Calgary, Alberta. Sharon’s current focus is on shallow gas developments in southern Alberta, natural gas exploration in central and southern Alberta and deep gas exploration in Texas.*

FOR FURTHER INFORMATION, PLEASE CONTACT:

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*ADVISORY: Certain information regarding the Company in this News Release including management’s assessment of future plans and operations, the use of proceeds from the offering and the anticipated closing date of the offering, may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, wells not performing as expected, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could effect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at the Company's website ([www.sharonenergy.com](http://www.sharonenergy.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

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