



The following is for immediate release in Canada, Thursday, August 30, 2007

SHARON ENERGY LTD. ANNOUNCES Q1 2008 RESULTS

Sharon Energy Ltd. (TSX-V: SHY)

Sharon's financial and operating results for the first three months of the 2008 fiscal year ended June 30, 2007, were lower than the same quarter of the prior year, due to reduced production volumes offset partially by higher realized prices.

Financial

On June 22, 2007, Sharon issued 22,500,000 units at a subscription price of \$0.40 Cdn. for gross proceeds of \$9 million Cdn. Each unit consisted of one common share and one-half of one warrant. Each whole warrant is exercisable into one additional common share of the Company at an exercise price of \$0.50 Cdn. until December 22, 2008. The agents for the offering received broker's warrants to purchase 1,350,000 units at a price of \$0.40 Cdn. per unit until December 22, 2008.

Revenue for the three month period ended June 30, 2007, totaled \$791,000 compared with \$919,000 for the same period in 2006. Cash flow from operations for the quarter decreased to \$334,000 or \$0.01 per share compared with \$661,000 or \$0.01 per share, reported for the same period in 2006.

Sharon reported a loss for the three month period ended June 30, 2007, of \$468,000 or \$(0.01) per share compared with earnings of \$10,000 or nil per share, reported for the same period in 2006.

Capital expenditures for the quarter totaled \$1.7 million compared with \$1.0 million for the same period in 2006 and were financed from cash flow, capital dispositions and the \$9 million equity financing completed in June 2007.

Sharon exited the first quarter with working capital of \$3.5 million versus net debt of \$2.6 million at the beginning of the fiscal year.

Production

Production for the three month period ended June 30, 2007, declined to average 261 BOEd compared with 355 BOEd for the prior year. The Hancock #2 well located on the Allen Ranch property was shut-in during the quarter causing most of the production decline.

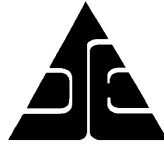
United States

In the first quarter ended June 30, 2007, Sharon's focus has been on developing the Cheney prospect which should be tested in the fall of 2007. In Texas, Sharon has identified up to 16 locations for wells on lands currently under lease and will rank and prioritize these wells for drilling during the second half of 2007 and 2008.

Cheney, Colorado County, Texas – Working Interest 14%

In Texas, the Cheney #1 well began drilling in April and reached a total depth of 18,400 feet in early July 2007. Based on the Company's log analysis, the well encountered 40 feet of gross pay and 30 feet of net pay in the Wilcox #18 zone which was the primary horizon in the well.

Completion operations are expected to be carried out in the fall of 2007 when Sharon plans to conduct a fracture stimulation and production test of the zone.



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N.W. Speaks, Lavaca County, Texas - Working Interest 35.8%

Sharon will be the operator and has signed a contract with Pioneer Drilling Company to drill the N. W. Speaks Robertson #1 well, located in Lavaca County, Texas; however, the well has been delayed due to extremely wet conditions caused by significantly higher than average rainfall during the summer season. Sharon will proceed with this project later in the fall after the site and surrounding area have dried. The Pioneer rig will be used to drill the Black Owl prospect.

Black Owl, Wharton County, Texas - Working Interest 24.4% (at casing point)

Sharon will be the operator and plans to spud the Halamiccek #1 well in September 2007. The well is expected to reach a total depth of 9,000 feet targeting Yegua sands.

West Wharco-Schilling, Wharton County Texas – Working Interest 30.3% (at casing point)

Sharon Energy Ltd. will be the operator for the Duson #1 well. This prospect has seven potential objectives of which three have been proven productive by offset operators. Sharon's Duson #1 well, which is expected to be drilled in November 2007, has a proposed depth of 11,450 feet.

Canada

Hays, Alberta, Canada – Working Interest 20%

In November 2006, Sharon drilled an Arcs oil discovery which encountered two productive zones.

During the first quarter ended June 30, 2007, Sharon completed installation of a battery and sales gas line. Testing of both zones indicated lower than anticipated rates of oil production and increasing volumes of gas. The lower zone is currently being produced and evaluated and commingling of the zones may be conducted during the fall of 2007.

Additional development drilling will be required to properly test this structure.

Parkman, Saskatchewan, Canada – Sharon Working Interest 12.5 %

In August 2007, the operator drilled a horizontal Tilston oil well on Sharon's Parkman property located in South East Saskatchewan. Completion operations are underway.

Business Outlook

The Company will continue with its planned exploration and development activities during the fall of 2007. Highlights for the fall and winter will be the completion of the horizontal oil well at Parkman, Saskatchewan, and the Cheney #1 well in Colorado County, Texas, and multiple exploration wells both in Canada and in the United States.



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<i>(Thousands, except per share amounts)</i> <i>(U.S. Dollars, unaudited)</i>	Three Months Ended	
	June 30	
	2007	2006
Financial		
Total revenue	\$ 791	\$ 919
Cash flow from operations	\$ 334	\$ 661
per share, basic and diluted	\$ 0.01	\$ 0.01
Earnings (loss) for the period	\$ (468)	\$ 10
per share, basic and diluted	\$ (0.01)	\$ -
Property, plant and equipment		
Capital additions	\$ 1,725	\$ 999
Working capital / (net debt)	\$ 3,474	\$ (2,013)
Total assets	\$ 18,696	\$ 12,536
Total shares outstanding, at period end	75,419	51,419
Operations		
Production		
Gas (MMcfd)	1.4	1.9
Oil (Bopd)	21	38
BOEd (6Mcf = 1Bbl)	261	355
Product Prices		
Gas (\$/Mcf)	\$ 7.09	\$ 6.23
Oil (\$/Bbl)	\$ 57.96	\$ 62.77

BOE Presentation – the term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1Bbl 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.

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) and at the Company's website (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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