



SHARON ENERGY LTD.

#1800, 633 Sixth Avenue S.W.
Calgary, Alberta
T2P 2Y5 Canada

The following is for immediate release on Friday, August 21, 2009

SHARON ENERGY LTD. ANNOUNCES RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2009

Sharon Energy Ltd. (TSX-V: SHY)

Sharon's revenue and cash flow results for the three months ended June 30, 2009, were significantly lower when compared with the prior year quarter as weak oil and natural gas prices combined with declined production.

Financial

Revenue for the three months ended June 30, 2009, totaled \$285,000 compared with \$1.4 million for the prior year period. Cash flow from operations for the quarter was \$165,000 compared with \$971,000 for the prior year period. Sharon had a loss of \$475,000 versus earnings of \$180,000 in the prior year period.

Capital expenditures for the three months ended June 30, 2009, totaled \$309,000 compared with \$1.2 million for the prior year period. Capital expenditures were financed from working capital, cash flow and property dispositions.

Sharon exited the first quarter with working capital of \$222,000 versus working capital of \$310,000 at the beginning of the year.

All dollar figures are United States dollars.

New Land Acquisitions

In the U.S., Sharon has acquired approximately 8,500 gross acres (3,621 net acres) in the Eagleford fractured shale play. Sharon's acreage is on trend with a large development program operated by Apache Corporation. However, the Company is actively looking to sell or farmout this project as individual well costs may be significant.

In Canada, Sharon has acquired 9,611 acres (2,816 net acres) in Alberta and Saskatchewan. The Alberta lands were acquired to expand existing holdings at Big Bend. Sharon's primary Canadian exploration focus is in Saskatchewan where the Company now has acreage on prospective Viking, Shaunavon and Bird Bear oil plays.

Production

For the three months ended June 30, 2009, production decreased 62% to 112 BOEd compared with 292 BOEd for the prior year quarter. The primary cause of the drop resulted in Canada from the shut-in of production at the Big Bend field which will be put back on production in late

fall, and in the U.S. resulting from the shut-in of production at the Black Owl field combined with declining production rates at the Hound Dog, N.W. Speaks and Allen Ranch fields.

Business Outlook

The continued weak natural gas pricing environment has led to a sharp reduction in the number of rigs drilling for natural gas over the last eight months. The drop of rig activity in Canada and the U.S. should decrease domestic supply as production rates from existing wells decline without offsetting new production. However, there is still considerable uncertainty as to when prices will again rise to above \$7.00 Mcf. Because of the uncertainty in the gas market and the underlying economy Sharon expects that natural gas prices will stay in the range of \$3.50 to \$5.50 per Mcf for the remainder of calendar 2009.

Sharon plans to match capital spending to operating cashflows and has halted new projects until gas prices improve over current levels. Sharon's future exploration program will focus on a number of shallower prospects in Texas that can be managed within the Company's capital budget. However, Sharon is also considering various alternatives to its normal operations such as the selling of assets, a reduction of overhead costs, and other Corporation transactions to optimize shareholder value.

(\$ Thousands, except share & per share amounts, U.S. Dollars, unaudited)	Three Months Ended June 30	
	2009	2008
Financial		
Total revenue	\$ 284	\$ 1,448
Cash flow from operations	\$ 165	\$ 971
per share, basic and diluted	\$ -	\$ 0.01
Loss for the period	\$ (475)	\$ 180
per share, basic and diluted	\$ (0.01)	\$ 0.00
Property, plant and equipment		
Capital additions	\$ 309	\$ 1,206
Dispositions	\$ 45	\$ 17
Working capital	\$ 222	\$ 190
Total assets	\$ 13,059	\$ 19,831
Total shares outstanding, at period end	74,085,565	75,358,565
Operations		
Production		
Gas (MMcfd)	0.6	1.5
Oil (Bopd)	11	45
BOEd (6 Mcf = 1 Bbl)	112	292
Product Prices		
Gas (\$/Mcf)	\$ 3.10	\$ 10.29
Oil (\$/Bbl)	\$ 52.47	\$ 114.33

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:

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

TSX-V: SHY

ADVISORY: Certain information regarding the Company in this News Release including management's assessment of future plans and operations 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.

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