

# Shoal Point

Energy Ltd.

June 5, 2025

CSE: SHP

## Shoal Point CEO Letter to Shareholders

**Vancouver BC--** As Chief Executive Officer of Shoal Point Energy Ltd. (the “Company”) I want to address the shareholders of the Company in relation to a letter received from the British Columbia Securities Commission noting the Company is in default by reason of the failure to file annual audited statements.

As you may be aware, recent efforts at fund raising for the Company proved less than successful and as a result the Company became highly constrained in its ability to engage professionals to carry out necessary functions including the performance of audited financial statements for the period ended January 31, 2025.

To assist the Company, I personally loaned the Company on a revolving basis, certain amounts that were necessary to pay essential costs and certain costs and expenses associated with the litigation against the Government of Newfoundland.

Total expenses to maintain our CSE listing amount to over \$100,000 per year. Audit fees are significant, and audit requirements increase year after year giving rise to ever increasing costs which are not sustainable given our current financial resources. In the absence of the ability to successfully raise money, the Company will have to re-organize its status and affairs.

The failure to file audited financial statements will likely result in the delisting of the Company and as such there will be no public market for the trading of the Company’s stock. Should this happen, our capital structure will remain the same and your rights and interests as shareholders will remain the same.

In addition, two of our directors, Brian Usher Jones and Eric Schneider have indicated that they wish to retire as directors as they are nearing the end of their professional careers.

I intend to remain as a director and Chief Executive Officer of the Company and Mr. Robert Millar has indicated that he will continue to stand as a director with a focus on providing support to the Company in the prosecution of the litigation against the Government of Newfoundland. Mr. Millar was a commercial litigator at a national law firm and originally agreed to join the board of directors of the Company in anticipation of providing such non salaried assistance to the Company relating to the alleged “constructive taking” of the Company’s oil and gas rights in Newfoundland.

There can be no guarantee of success in relation to any lawsuit, but we remain committed to seeking justice for the Company in relation to the substantial economic loss that has been claimed.

As currently conceived, the Company intends to distribute the net proceeds of the Newfoundland litigation, if any, among the shareholders pursuant to a plan of arrangement or similar structure that has yet to be initiated or formulated.

We plan to maintain our website at [www.shoalpointenergy.com](http://www.shoalpointenergy.com) to keep shareholders informed and will periodically update shareholders who have subscribed to our email list. We will continue to file unaudited financial statements on our website.

We think we have a strong case and are confident that arrangements are in place to see the litigation through to the end. We will continue to press our efforts to bring the matter to a successful conclusion through settlement or a trial of the action.

### **About Shoal Point Energy Ltd.**

Shoal Point Energy Ltd. is a public company listed on the CSE exchange under the symbol “SHP”. The company is suing the government of Newfoundland and Labrador for at least \$483,000,000 for “de facto expropriation” or “constructive taking” of its rights to develop its oil and gas interests in western Newfoundland.

For further information, please contact:

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***The Canadian Securities Exchange (CSE) has neither approved nor disapproved the contents of this letter to shareholders.***