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Shelton Canada Corp. continues building a solid portfolio of oil and gas assets in Ukraine

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Calgary, Alberta – Shelton Canada Corp. (TSX Venture: STO) and Ukraine's largest oil and gas company, Ukrnafta, have drilled their first well as partners in the Kashtan Petroleum Joint Venture. Located in the Lelyaki oil field, east-central Ukraine, the well #304 has tested initially about 142 barrels of oil equivalent per day net to Shelton. The new well is a solid addition to the company's current daily production of 250 barrels of light oil from the Lelyaki concession.

Drilled at relatively low cost to Shelton at Cdn\$450,000, the well, producing high-quality light oil, should be tied in shortly to the main pipeline. Its close proximity to oil and gas infrastructure and Ukraine's extensive network of pipelines ensures cost-efficient transportation to the huge markets of Europe. Shelton expects sales at highly favourable pricing to begin early January 2008. Revenues generated will be used to fund development drilling and well re-completions in the Lelyaki Field.

"It's the first well we've drilled since acquiring the Lelyaki concession earlier this year as part of our joint venture agreement with Ukrnafta," says Zenon Potoczny, Shelton's President and CEO. "Our strategic partnerships with leading Ukrainian oil and gas companies like Ukrnafta are a key reason for our success in Ukraine."

Ukraine is important to world energy markets. The country is a critical transit centre for exports of Russian oil and natural gas to Europe. Ukraine is also one of Europe's largest energy consumers, and wants to increase production from its own basins. The country's proven reserves include 53.8 million tonnes of oil and 1.1 trillion cubic metres of gas.

About Shelton Canada Corp.

Shelton, a Canadian-based junior oil and gas company, is focused on exploring and developing the resource-rich basins of Ukraine. The company has an internationally experienced board of directors and a long history of successful operations in Ukraine. These competitive advantages have helped Shelton to build effective personal relationships, strategic regional partnerships, a large land position and a portfolio of projects on and offshore.

A strategic partnership with Ukrnafta, Ukraine's largest oil and gas company, provides Shelton with concessions in the Lelyaki field through a 45-percent participation in the Kashtan Petroleum Joint Venture. A 50-per cent participation in a Joint Investment Agreement with Chernomorneftegas, the leading Crimean oil and gas company in offshore development, gives Shelton exceptional long-term potential to explore and develop large concessions in the Azov and Black Sea region. Shelton currently has a reserve base of:

- 5.32 million BOE (P90)



- 8.70 million BOE (P50)
- 15.98 million BOE (P10)

Shelton's long-term goals are to become the leader in oil and gas production from the resource-rich Azov and Black Sea basins in five years, and ultimately to expand exploration and development programs across eastern Europe.

Forward-Looking Information

Except for statements of historical fact relating to the company, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information in this news release is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" "will" or "could" occur. There are uncertainties inherent in forward-looking information, including factors beyond Shelton Canada Corp.'s control, and no assurance can be given that such events will occur on time or at all. Shelton Canada Corp. undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. The risks and uncertainties set forth above are not exhaustive.

"The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release."

For more information on Shelton Canada Corp., visit www.sheltoncdn.com

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