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Shelton Canada announces new drilling at Lelyaki oil field in Ukraine

February 26, 2008

CALGARY, (Canada NewsWire via COMTEX News Network) --

Shelton Canada Corp. (TSX Venture: STO) and Ukraine's largest oil and gas company, **Ukrnafta**, will drill their second development well as partners in the Kashtan Petroleum Joint Venture. Located in the Lelyaki oil field in east-central Ukraine, the well No.307 is expected to spud in the second quarter of 2008. The new well has a projected total depth of 1960 metres and will be drilled as a directional well to further develop the P1&2 and K-1 productive reservoirs. Recently-drilled offset wells showed initial productivity of greater than 240 barrels of light oil (42 degree API) per day (net 108 barrels). Net drilling cost is expected to be \$450,000 Cdn and the well is in close proximity to pipeline infrastructure for rapid tie-in.

"This second well is an ongoing part of the Kashtan Joint Venture's plan to fully exploit the remaining oil reserves in the Lelyaki field through optimal placement of infill production wells," said Zenon Potoczny, President and CEO of Shelton Canada. "In addition, the Joint Venture anticipates re-entering and sidetrack drilling of four other suspended wells in different parts of the field during 2008. These well interventions show very good economics as the capital cost is much lower than new drilling. We have been very happy with the pool performance since it was acquired in mid 2007 and the first well (No.304) drilled post acquisition has averaged 185 barrels of oil (net 83 barrels) since coming on-stream in December 2007. Shelton's average daily production for 2007 was net 255 barrels per day. The Joint Venture sells its production at Brent equivalent pricing."

"Our strategic partnerships with leading Ukrainian oil and gas companies like Ukrnafta and Chernomorneftegas are a key reason for our success in Ukraine. Current net production is 350 barrels per day with further increases expected in 2008."

Ukraine is important to world energy markets and a critical transit centre for exports of Russian oil and natural gas to Europe. One of Europe's largest energy consumers, Ukraine also wants to increase production from its own basins. The country's proven reserves include 387 million barrels of oil and 39 trillion cubic feet of gas.

About Shelton Canada

Shelton Canada Corp. (www.sheltoncdn.com), 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. 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.



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. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

SOURCE: Shelton Canada Corp.

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