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Shelton Reports Record Second Quarter Results

August 26, 2008

Shelton Canada Corp. ("Shelton" or the "Company") (TSXV symbol "STO") is pleased to announce record consolidated revenue from operations of \$2.594 million for three months ending June 30, 2008 and \$4.629 million for the six months then ended as compared to \$Nil from continued operations for the three and six months ending May 31, 2007. In addition, consolidated net income for the second quarter was a record \$344,092 and \$447,464 for the six months then ended versus net (loss) of (\$240,538) for the second quarter ending May 31, 2007 and (\$448,581) for the six months then ended. The significant improvement in revenue and net income reflects Shelton's continued successful expansion into Ukraine.

Highlights for the second quarter ended June 30, 2008:

- Revenue increased to a record \$2.594 million compared to \$Nil for the second quarter ending May 31, 2007 from continued operations.
- The Company reported record net income of \$344,092 for the second quarter as compared to a (loss) of (\$240,538) for the quarter ended 2007.
- The Company continued to strengthen the balance sheet for the quarter ending June 30, 2008 with a working capital surplus of \$2,192,406 as compared to a working capital surplus of \$1,129,537 for the thirteen months ending December 31, 2007. Including approximately 17,330 Bbls of crude oil recorded at cost as at June 30, 2008 as compared to 12,034 for the thirteen months ending December 31, 2007.
- The Company commenced drilling of the second of the ongoing development wells in the Lelyaki Oil Field (Well No. 307). The drilling has reached target depth of 1,960 meters and cased. Based on log analysis and geophysics oil has shown in the K-1 horizon. The Company intends to complete and tie-in well No. 307 prior to the end of the third quarter.

The Company changed its fiscal year from November 30 to December 31, effective December 31, 2007. For the purposes of this news release, comparisons are made to the three and six month period ending June 30, 2008 and the three and six months ending May 31, 2008 for continued operations. These periods have not been audited or reviewed by the Company's external auditors. Readers are advised to take this limitation into consideration when reviewing the comparative information for the three and six months ending June 30, 2008 and the three and six months ending May 31, 2007 from continued



operations.

About Shelton Canada Corp.:

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, and 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.

"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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