

SHELTON PROVIDES OPERATIONAL UPDATE

CALGARY, ALBERTA, December 3, 2008

Shelton Canada Corp. (“Shelton” or the “Company”) (TSXV symbol “STO”) is pleased to provide an operational update on its projects in Ukraine.

Kashtan Petroleum Joint Venture - Lelyaki Oil Field: Well #307 has been cased for production and well completion procedure is expected in December, 2008. The well was drilled to total depth of 1960 metres and encountered measured depth oil saturated porous zones of 5.0 metres in the lowermost K zone and 8.6 metres in the dolomite reservoir of the P1+P2 zone. The well is expected to be initially completed in the K zone with production startup in January 2009.

Lease construction is nearing completion for the next well #304 A, with planned spud date early in 2009. This well will be followed later in 2009 with the drilling of well #308.

This work is an ongoing part of the Kashtan Petroleum Joint Ventures plan to fully exploit the remaining oil reserves in the Lelyaki field through optimal placement of infill production wells. In addition, the Joint Venture anticipates re-entering and sidetrack drilling of 4 other suspended wells in different parts of the field during 2009. These well interventions show very good economics as the capital cost is much lower than new drilling.

North Kerchenskaya Project – Azov Sea: Work is continuing on a Front End Engineering and Design Study (“FEED STUDY”) which will allow for optimum development of this offshore natural gas project. The study is expected to be completed by mid 2009. The study will establish the technical and engineering information relating to platform/drilling location, platform construction details, pipeline system, number of wells required and other geo-technical information.

West Byrucha – Azov Sea: Final well report and recommendations from the Nauka Naftogas Institute in Kyiv are expected to be complete in December of 2008. This data will assist in planning for future drilling of the Maikop potential in the three Byrucha structures.

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 may contain certain "forward-looking information" within the meaning of applicable securities law including opinions, assumptions, estimates and management's assessment of future plans and operations, budgeted capital expenditures and funding thereof, wells to be drilled, timing of drilling of wells and expected depths, budgeted cost of wells, commencement of production from wells and year-end production rate. 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's control, and no assurance can be given that such events will occur on time or at all. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, results from testing, production, marketing and transportation, the volatility of oil and gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in oil and gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from inability to obtain drilling rigs and other services, delays in tie-in-operations, results from testing, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions and other factors more fully described from time to time in the reports and filings made by Shelton with securities regulatory authorities. All of these risks are applicable to continued development and production from the Lelyaki Oil Field and further development of the North Kerchenskaya Project including the specific actions mentioned in this Press Release. Specifically with regard to the net income which is attributable to Shelton from the Kashtan Joint Venture all of it has been to date reinvested into exploration, development and drilling in the Lelyaki Field. Arrangements have now been made to have paid directly to Shelton, commencing January 1, 2009, and thereafter on an annual basis a dividend comprising Shelton's proportionate share of net income from the Kashtan Joint Venture. Shelton will then allocate the dividend proceeds appropriately. The receipt of these funds, however, is always subject to all of the risk factors mentioned above. Shelton 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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