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Shelton Canada Corp. announces addition to portfolio of projects in Ukraine

February 4, 2009

CALGARY, Feb. 4 /CNW/ - Shelton Canada Corp. ("Shelton") (TSX VENTURE:STO) is pleased to announce that it has signed a Joint Investment Activity agreement with National Joint Stock Company Chornomornaftogaz ("Chornomornaftogaz"), a 100% state owned enterprise of Ukraine, to acquire, jointly develop and operate a concession known as the Arkchangel'ske Field located on the west side of the Crimean Peninsula in the shallow water shelf of the Black Sea. The working interest acquired by Shelton is 50% of the entire concession. The agreement is now going through the registration process with regulatory authorities of the Ukrainian Government.

This large (87 square kilometer) concession holds a large seismically defined structure with multi zone potential for natural gas. The field is currently on production with cumulative production of 17 billion cubic feet of natural gas from a single platform in the Western portion of the structure producing from the shallow sediments of the Tortonian and middle Maikop formations. Produced gas is transported to a sales point through the Chornomornaftogaz subsea pipeline linking a number of offshore fields to the mainland. This pipeline has capacity for additional daily volumes.

The primary exploration target for the structure is the Lower Paleocene with potential for very large accumulations of natural gas (estimated potential undiscovered resources of 750 billion cubic feet gas in place). The Arkchangel'ske field is approximately 25 kilometres offshore with water depths of 45 metres.

This concession lies adjacent to the natural gas producing Stormovoye Field (cumulative production 170 billion cubic feet), and Golitsinske Field. Both of these fields are operated by our joint venture partner Chornomornaftogaz and produce natural gas and condensate from sediments of Maikop and Lower Paleocene age.

Chornomornaftogaz and Shelton have planned a work program pursuant to the Joint Investment Activity Agreement. The work program planned for 2009 consists of the acquisition of 300 kilometres of new 2 dimensional seismic as well as development of an optimum production model.

Seismic acquisition contractor bids are now being acquired and the program is scheduled to take place during the second and third quarters of this year.



The Arkchangel'ske license was renewed in early 2008 and is now valid until 2038.

Zenon Potoczny, President and CEO, commented: "Reaching agreement with Chornomornaftogaz on the Arkchangel'ske concession is a significant event for Shelton. This exceptional opportunity greatly enhances Shelton's portfolio with a project near a high productivity field not far from existing infrastructure and huge market. Because natural gas has already been discovered in significant quantities, we believe that this natural gas concession can be a profitable development and could add substantial value to Shelton. We also believe that we will be able to access further attractive opportunities to complement and expand our existing portfolio of properties in Ukraine. We also note the market price for sales of natural gas is anticipated to reach parity with European Grid prices by 2011."

The agreement regarding Arkchangel'ske represents a further important milestone in cooperation between Shelton and Chornomornaftogaz following previously announced agreements on the Birjuchja and North Kerchenskaya concessions all with a 50% participation for Shelton.

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 and will continue to be applicable to continued exploration, development and production from the Arkchangel'ske concession including the specific actions mentioned in this Press Release. 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 for general inquiries and investor information.

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