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Shelton Canada Corp. Provides Operational Update

October 5, 2009

Calgary, Alberta – Shelton Canada Corp. (TSX Venture: STO) and Ukraine's largest oil and gas company, Ukrnafta, will drill their third development well as partners in the Kashtan Petroleum Joint Venture. Located in the Lelyaki oil field, east-central Ukraine, the well #304-A is expected to spud mid Q4, 2009. The new well has a projected total depth of 1930 meters and will be drilled as a directional well targeting light oil (42 degree gravity) further developing the P1 and 2 and K-1 productive reservoirs. In addition, well interventions are underway on three suspended wells (#45, #60 and #179) in order to bring them back on production.

Drilling cost is expected to be 10 million Ukrainian Hryvnia which today is approximately US\$ 1.17 million (net \$526,500) and the well is expected to take approximately 100 days to drill and complete. The well is in close proximity to pipeline infrastructure for rapid tie-in.

"This third well is a continuing part of the Kashtan Joint Venture's plan to fully exploit the remaining oil reserves in the Lelyaki Oil field through optimal placement of infill production wells. The three well interventions show very good economics as the capital cost is much lower than new drilling. This new activity is very positive for the company", said 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 and further production additions are expected through 2010."

In addition, Shelton has recently received a dividend payment from Kashtan Petroleum of US \$122,700 which will be used to cover corporate working capital requirements.

Further activity is also underway on Shelton's projects in the Azov and Black Sea areas.

Shelton has been advised by its partner JSC Chernomornaftogaz that it has now received the final well and technical report's on the first well drilled on the West Biryucha structure. Analysis of this information is underway and may lead to the acquisition of an exploration license for the North Biryucha structure within the framework of the existing JAA with JSC Chernomornaftogaz.

In the Black Sea, planning is underway for the collection of a 300 kilometer two dimensional seismic program over the Archangelskoye structure which is anticipated to be commenced in the second quarter of 2010. This program is being designed to identify the structural geometry of the Archangelske feature and will focus on the Lower Paleocene strata which produces in the offsetting Shtormovoye Field.

In other news, Mr. Zenon Potoczny, President, Shelton Canada Corp. (also President of Canada Ukraine Chamber of Commerce) has been awarded the Order of Merit, Class III, from the President of Ukraine Victor Yushchenko for his contributions to Ukraine in the



fields of trade and investment.

The technical and corporate due diligence required for the previously announced Plan of Arrangement between Shelton and Petrosibir is progressing well with an anticipated November 6, 2009 date for the Shelton shareholders meeting to vote on the transaction.

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. In July 2009 Shelton announced that it had entered into a merger agreement with Petrosibir AB, a Swedish company which holds two oil exploration licenses in Bashkiria, Russia, and is listed on the NGM stock exchange in Sweden.

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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