



NEWS RELEASE
Stock Symbol: SGF: TSX

May 1, 2009
Saskatoon, Saskatchewan

**SHORE RECEIVES \$4.4 MILLION PARTIAL
RECOVERY OF ABCP INVESTMENT**

Kenneth E. MacNeill, President and CEO of Shore Gold Inc. (the “Company”), is pleased to announce that the Company has received \$4.4 million as a partial return of principal from its \$19.0 million investment in third-party asset-backed commercial paper (“ABCP”).

The third-party ABCP market has been essentially frozen since August of 2007. Since that time, the Pan-Canadian Investors Committee worked out a restructuring plan with all affected stakeholders. On January 12, 2009, the Superior Court of Ontario approved the final restructuring agreement and as a result the Company received the following floating rate notes in exchange for the ABCP previously held:

Master Asset Vehicle (“MAV”)	Class	Notional Amount ⁽¹⁾ (\$000’s)	Percent
MAV2	Class A-1 Notes	6,213	33.2%
MAV2	Class A-2 Notes	6,467	34.5%
MAV2	Class B Notes	1,174	6.3%
MAV2	Class C Notes	428	2.3%
MAV3	Class 9 Notes	4,445	23.7%
Total		18,727	100.0%

(1) The value of the new notes received represents the amortized cost of the Company’s investments at the time the third-party ABCP market ceased to trade.

The \$4.4 million received today represents 98.7% of the principal of the MAV3 Class 9 notes held by the Company.

Earlier in 2009, the Company also received \$644,000 representing interest accrued from August 2007 to August 2008, net of restructuring costs on its investment in ABCP. The Company expects a further interest payment in the near future in the amount of approximately \$200,000 representing interest from August 2008 to January 21, 2009 after which the Company is entitled to receive quarterly interest payments starting in April 2009.

Given the current credit conditions, the Company does not anticipate further principal to be distributed until the underlying assets of the remaining notes mature. The Company continually monitors developments in the market for the restructured notes and looks for opportunities to liquidate its remaining investment for a reasonable amount. As of May 1, 2009 and including the above MAV3 principal recovery, the Company has \$20.2 million in cash and short-term

investments which will be more than sufficient to carry out its exploration work and desk-top studies in order to allow the Company to reach a production decision in 2010.

Caution Regarding Forward-Looking Statements

From time to time, Shore makes written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. Shore may make such statements in this press release, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to Shore's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding Shore's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on Shore's current beliefs as well as assumptions made by and information currently available to Shore concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world diamond markets, changes in diamond valuations, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Shore or its joint venture partners, the effects of competition in the markets in which Shore operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Shore's most recently filed Annual Information Form, annual and interim MD&A and short form prospectus, and Shore's anticipation of and success in managing the foregoing risks.

Shore cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Shore, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities legislation, Shore does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by Shore or on our behalf.

For further information please contact:

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