

WaveForm Energy Ltd. News Release

Calgary, Alberta
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TSX Venture Exchange: "WE.A & WE.B"
32,168,631 Class A Shares
935,616 Class B Shares

WaveForm Energy Announces Second Quarter Results

CALGARY, ALBERTA - WaveForm Energy Ltd. is pleased to announce financial and operating results for the second quarter of 2006.

SECOND QUARTER 2006 HIGHLIGHTS

- The addition of Bob Goods as President, CEO and a Director. Mr. Goods has 30 years of experience as a senior officer and president of several junior oil and gas companies. His experience as COO and Vice-President of Husky Energy has given him extensive knowledge of oil and gas prospects in western Canada. He has led negotiations for sales of more than \$500 million of Canadian oil and gas assets.
- The acquisition of gas and liquids production in the Ferrier and Rowley areas of Alberta for \$18.5 million.
- The disposition 38 bbls/d of production in the Antler area for \$7.1 million to focus on the remaining undeveloped lands of the Company.
- Proved plus probable reserves discounted at 10% of \$27.9 million.
- Average net production of 392 boe/d and current net production of 385 boe/d with high netback production.
- Commenced drilling of a Midale Evaporite well in early July. Based on initial production testing, this well is expected to produce at marginal rates.

The second quarter of 2006 represents a restructuring period for the Company in terms of its strategic direction. The Company acquired proven reserves in the Ferrier and Rowley areas of Alberta, which also have multi-zone potential with potential future infill and step-out locations. These properties are a complimentary offset to the Tableland field which still has risk associated with the fractured nature of the Midale Evaporite and the learning curve related to the Bakken Formation.

The Company's activities in the second quarter focused on solidifying its technical base in Tableland and understanding and optimizing the production in the Ferrier and Rowley acquired assets. During the second quarter, reservoir characterization studies were prepared by an independent Calgary-based engineering company that provided useful information on the Bakken and the Midale Evaporite. Both studies indicated that the Midale Evaporite and Bakken Formations have recoverable oil in place, and provided guidance on how to optimize drilling and completion programs. The Company prepared a workover program at Rowley during the second quarter, which was implemented in July.

Looking forward, the Company has drilling inventory of varied risk, depth and production potential. This production base will provide the Company with capital to fund the ongoing development program and develop its land base. Due to the reduced gas prices through the summer and lower initial production rates the Company is re-evaluating the capital budget and forecasted exit rate. In addition, the Company has engaged Blackmont Capital Inc. to help identify and evaluate strategic alternatives that will provide the cash flow, technical team enhancement and working capital to develop the opportunity base within the Company.

DRILLING RESULTS

2006 to date	Wells Drilled	Producing Oil Wells	Shut-in	Abandoned
Tableland area	4 (2.6 net)	4 (2.6 net)	0	0
Antler area	9 (4.5 net)	6 (3.0 net)	2 (1 net)	1 (0.5 net)

During the first quarter of 2006, the Company drilled a total of 12 (6.5 net) wells and had 9 (5.6 net) producing oil wells for a 75% success rate. In the Antler area, the Company had 4 wells on production by March 31, 2006 and the remaining two producing wells were awaiting equipment subsequent to spring break-up. The Antler area was sold effective April 1, 2006. The Company drilled one additional Midale Evaporite well in July of 2006, which is currently undergoing production testing, but is expected to be a low producing well.

SUMMARY OF FINANCIAL RESULTS

Six months ended	June 30, 2006	June 30, 2005
Revenues, net of royalties	\$2,952,458	\$64,988
Cash flow from operations	948,009	(528,142)
Cash flow from operations per share	0.03	(0.02)
Net loss	(1,013,600)	(429,036)
Net loss per share	(0.03)	(0.02)
Total assets	\$39,811,632	\$16,499,046

PETROLEUM SALES AND PRODUCTION

	Three months ended June 30, 2006	Six months ended June 30, 2006
Daily average petroleum production (bbls/d)	196	219
Daily average natural gas production (mcf/d)(1)	1,079	429
Daily average natural gas liquid production (bbls/d)(1)	16	6
Total daily average production (boe/d)	392	297
Average price received - petroleum sales	\$69.59	\$62.65
Average price received - natural gas sales	5.32	5.32
Average price received - natural gas liquid sales	61.23	61.23

Average price received - total per boe	\$54.03	\$55.19
Total revenue	\$1,725,633	\$2,952,458

(1) Production was acquired on April 20, 2006 and daily average production is from that date forward for the three months ended June 30, 2006

The Tableland area in Southeast Saskatchewan produced 195 bbls/d for the three months ended June 30, 2006 and 218 boe/d for the six months ended June 30, 2006. The Tableland field has been subject to steep declines and the current net production from this field is approximately 145 bbls/d from 10 wells. One additional well has been completed and is currently undergoing production and pressure testing. However, initial production from this well is expected to be 20 to 30 bbls/d.

The Alberta gas properties acquired on April 20, 2006 had limited production histories and, based on estimates and the independent reserve report, management expected initial production to be approximately 325 boe/d. During the three months ended June 30, 2006, these properties produced 197 boe/d, which is 128 boe/d below management expectations. The decline in production relates to weaker production from the Rowley wells and normal operational shutdowns of the gas facilities in Ferrier for two weeks in June. In July, the Company successfully performed a remedial workover to restore production on one Rowley well; however, this gain has been offset by steeper than expected declines of Rowley production. The current production rate from the Alberta properties is approximately 220 boe/d.

The Company has awarded 400,000 stock options to Bob Goods who joined the Company as President and CEO on May 23, 2006. The options are exercisable at a price of \$1.00 and have a term of five years with standard vesting provisions. The Company also announces the departure of Clifford Hogstead, Vice President, Drilling and Completions.

The financial statements and MD&A can be viewed in their entirety at www.sedar.com.

About WaveForm Energy

WaveForm is a junior oil and gas company focused on the acquisition, exploration and development of oil and natural gas in western Canada.

ADVISORY: Statements in this press release may contain forward-looking statements including expectations with respect to future events and the actions of third parties. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, adequate available financing and health, safety and environmental factors), commodity price and exchange rate fluctuation and uncertainties.

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