



Second Wave Petroleum Ltd.

News Release

For Immediate Release
Calgary, AB

Friday, December 21, 2007
TSX Venture Exchange: "SCS.A & SCS.B"
127,769,131 Class A Shares
935,616 Class B Shares

Second Wave Petroleum Announces Private Placement

CALGARY, ALBERTA – December 21, 2007. Second Wave Petroleum Ltd. ("Second Wave" or the "Company") is pleased to announce that it is proceeding with a non-brokered private placement (the "Private Placement") of up to 6,000,000 Units of the Company at a price of \$0.18 per Unit for aggregate proceeds of up to \$1,080,000. The Units are being sold to members of the new management team as part of their employment package and to provide incentive to them with respect to the management of the Company. Each Unit is comprised of one (1) Class A Share issued on a flow-through basis and one (1) Class A Share Purchase Warrant (the "Warrant") of the Company. Each Warrant is exercisable for one Class A Share of the Company at a price of \$0.20 per share for a period of two years from the closing date of the Private Placement. The closing of the Private Placement is expected to take place on or before January 15, 2008 after the announcement of the new additions to the management team. All securities issued pursuant to the Private Placement will be subject to a four month hold period pursuant to applicable securities legislation.

The Company also announces that the Board of Directors has approved the granting of 7.1 million stock options to officers, directors and employees of the Company including the granting of options to new members of the management team. The options were issued with an exercise price of \$0.20 per share and have a five year term with standard vesting provisions. The Company also announces that it did not proceed with the granting of 3.5 million options as previously announced on November 7, 2007.

About Second Wave Petroleum

Second Wave Petroleum is a publicly traded, newly recapitalized junior oil and gas company focused on exploration and development of oil and natural gas in Alberta, Saskatchewan and British Columbia.

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READER ADVISORY

The TSXV has neither approved nor disapproved the contents of this news release and does not accept responsibility for the adequacy or accuracy of this release.

This news release may contain certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The term BOE or BOEs may be misleading, particularly if used in isolation. A BOE (barrel of oil equivalent) conversion rate of 6 Mcf per one (1) BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.