

WaveForm Energy Ltd.

News Release

**For Immediate Release
Calgary, Alberta**

**Thursday, January 18, 2007
TSX Venture Exchange: "WE.A & WE.B"
64,118,631 Class A Shares
935,616 Class B Shares**

WaveForm Energy Closes Financing and Restructures Debt

CALGARY, ALBERTA – WaveForm Energy Ltd. (TSX VENTURE:WE.A) (TSX VENTURE:WE.B) ("WaveForm" or the "Company") is pleased to announce that it has completed its previously announced \$4 million brokered private placement (the "Offering") of 32,000,000 Units (the "Units"). Each Unit is comprised of one Class A Share (the "Share") of the Company and one Class A Share Purchase Warrant (the "Warrant"). The Units, which had been previously priced at a Unit price of \$0.15 per Unit, had been repriced by the Company and the Agent in the context of the market to \$0.125 per Unit. The private placement was fully subscribed for \$4 million and the Company issued 32,000,000 Shares and 32,000,000 Warrants. Each Warrant is exercisable into one Class A Share at \$0.125 per share until March 31, 2007, thereafter at \$0.20 per share until June 30, 2007, thereafter at \$0.30 per share until December 31, 2007 and thereafter at \$0.40 per share until expiry on December 31, 2008. The Agent, Blackmont Capital Inc., was paid a cash commission of 3.5% of the gross proceeds of the Offering and broker warrants equal to 5% of the Units raised on the Offering, on the same terms as the Offering. The Units issued pursuant to the Offering will be subject to a four month hold period from the date of closing of the Offering.

The amount of \$2 million from the proceeds of the Offering was applied to reduce the Company's \$10 million senior secured bridge facility (the "Facility") with Brookfield Bridge Lending Fund Inc. ("Brookfield") to \$8 million. In conjunction with the reduction of the principal amount under the Facility, Brookfield also agreed to amend and restate the repayment date for the balance of the funds under the Facility to April 30, 2007. The balance of the funds from the Offering will be utilized for exploration and development on the Company's properties primarily in the Rowley and Ferrier areas of Alberta. In addition to its financing fees to amend and restructure the Facility, Brookfield will also receive 3,500,000 Class A Share bonus warrants of the Company exercisable into Class A Shares of the Company at \$0.125 per share prior to the repayment of the Brookfield's facility and \$0.175 per share after full payment of the Brookfield facility until the expiry date which is two years from the date of closing.

The Company announces that Dan Anderson and Don Eagleton have resigned as directors of the Company. In making the announcement, Robert F. Goods, President and CEO of the Company and the Board of Directors thanked Messrs. Anderson and Eagleton for their hard work and dedication to the Company.

The Company also announces the addition of four new directors including Donald E. Foulkes, Dinesh Dattani and Ross O. Drysdale of Calgary and David M. Macdonald of Toronto. Stacey Holliday has been appointed as Corporate Secretary of the Company.

Following completion of the Offering, the Company has 64,118,631 Class A Shares, 935,616 Class B Shares and 37,100,000 Class A Share Purchase Warrants issued and outstanding. The Company also announced that the Board of Directors approved the granting of stock options to the new management and directors of the Company. Options to purchase 5,300,000 Class A Shares were issued by the Company with an exercise price of \$0.20 per share. The options are for a term of five years with standard vesting provisions.

About WaveForm Energy

WaveForm is a newly recapitalized junior oil and gas company focused on exploration and development of oil and natural gas in Alberta and Saskatchewan.

ADVISORY

Statements in this press release may contain forward-looking statements and assumptions respecting the Company's strategies 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.

64,118,631 Class A Shares

935,616 Class B Shares

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release and has neither approved nor disapproved the contents of this release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

WaveForm Energy Ltd.

Robert F. Goods, President and CEO
1700, 520 – 5th Avenue SW
Calgary, AB, T2P 3R7
Telephone: 403-451-0165
Email: bob@waveformenergy.com;
Web: www.WaveFormenergy.com

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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.