

**For Immediate Release
Calgary, Alberta**

**Tuesday, February 20, 2007
TSX Venture Exchange: "WE.A & WE.B"
64,118,631 Class A Shares
935,616 Class B Shares**

WaveForm Energy to Acquire Stone Castle Exploration

CALGARY, ALBERTA – February 20, 2007 – WaveForm Energy Ltd. ("WaveForm" or the "Company") is pleased to announce that it has executed a formal agreement with Stone Castle Exploration Ltd. ("Stone Castle") to acquire all of the issued and outstanding shares of Stone Castle (the "Transaction"). Stone Castle is a private oil and gas company with properties in Saskatchewan. In the Transaction, the shareholders of Stone Castle will receive a Unit comprised of 0.5 of a WaveForm Class A Share and 0.5 of a WaveForm Warrant to acquire a Class A Share for each Common Share of Stone Castle (the "Warrants"). The Warrants are exercisable at \$0.20 per share until June 30, 2007, \$0.30 per share until December 31, 2007 and \$0.40 per share until expiry on December 31, 2008. The Transaction will require the approval of the shareholders of Stone Castle, the TSX Venture Exchange and certain regulatory authorities. Stone Castle has agreed not to solicit or initiate discussions or negotiations with any third party with respect to alternate transactions involving Stone Castle. The Transaction is anticipated to close on or before March 30, 2007.

The directors of each of WaveForm and Stone Castle have unanimously approved the Transaction. In addition, the Board of Directors of Stone Castle has concluded that the Transaction is fair and in the best interests of its shareholders and has agreed to recommend that Stone Castle shareholders vote in favour of the Transaction. Holders in excess of 40% of the outstanding Stone Castle common shares, including all directors and officers of Stone Castle, have agreed to enter into lock-up agreements with WaveForm whereby such persons will agree to vote their Stone Castle common shares in favour of the Transaction.

The Transaction will provide Stone Castle shareholders with continued participation in WaveForm's and Stone Castle's jointly held Tableland properties which include the Bakken and Midale formations. Prior to the Transaction, WaveForm and Stone Castle were partners in the Tableland properties with WaveForm as operator and a 65% working interest and Stone Castle participating for a 35% working interest. WaveForm will acquire Stone Castle's current production from the jointly held Midale wells which are currently producing approximately 45 BOED to Stone Castle and 95 BOED to WaveForm from ten wells. The shareholders of Stone Castle will benefit from WaveForm's holdings in the Rowley and Ferrier areas of Alberta which produce approximately 200 BOED to WaveForm and from the upside of WaveForm's asset base which includes development properties in Ferrier and Rowley and approximately 74 sections of land in the Tableland area..

In the Transaction, WaveForm will assume \$1.6 million of loan obligations to Stone Castle's lender. At the closing, WaveForm will reduce the loan to \$1.3 million and the lender has agreed to extend the term of the loan to December 31, 2007. Upon closing of the Transaction, WaveForm will have 70,295,131 Class A Shares and 935,616 Class B Shares issued and outstanding.

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.

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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.

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.