

For Immediate Release
Calgary, Alberta

Wednesday, August 1, 2007
TSX Venture Exchange: "WE.A & WE.B"
82,219,131 Class A Shares
935,616 Class B Shares

WaveForm Energy Announces Closing of Debenture Financing, Terms of Rights Offering and Private Placement

CALGARY, ALBERTA – August 1, 2007. WaveForm Energy Ltd. ("WaveForm" or the "Company") is pleased to announce that it has closed its previously announced Convertible Debenture Financing (the "Debenture Financing") of \$9 million principal amount floating rate convertible senior secured debenture with Brookfield Bridge Lending Fund Inc. ("Bridge Fund"). The Debenture Financing is part of a debt restructuring and financing proposal (the "Financing Agreement") between the Company and Bridge Fund to restructure the Company's capital structure, working capital and debt. The Financing Agreement also provides for a back stop financing by Bridge Fund for equity proceeds of up to \$4,461,026. The Debenture is senior secured indebtedness of the Company and replaces its existing senior secured bridge facility with Bridge Fund which expires on December 31, 2007. The Debenture has a two year term and is convertible into Class A Shares of the Company at a price of \$0.11 per share.

The Company also announces that it is proceeding with its previously announced rights offering to shareholders of the Company (the "Rights Offering") resident in the Provinces of Alberta, British Columbia, Saskatchewan and Ontario, by way of a Rights Offering Circular which was filed with regulatory authorities today. The Rights Offering provides for one (1) Right for each Class A Share of the Company issued on the record date. The terms of the Rights Offering, which were disclosed in a previous press release, have been amended in order to satisfy regulatory requirements, to provide that four (4) Rights together with the sum of \$0.11 will entitle a shareholder to subscribe for one (1) Unit consisting of one (1) Class A Share of the Company and one (1) Class A Share Purchase Warrant. Each Warrant is exercisable into a Class A Share of the Company on a flow-through basis at a price of \$0.12 per share commencing one year from the date of closing of the Rights Offering and expiring two years after the closing date. If all Rights are subscribed, the Company will issue approximately 82,200,000 Rights for aggregate proceeds of \$2,261,026 before the payment of commissions and expenses, estimated to be approximately \$140,000.

The Company also announces that it is proceeding with a concurrent private placement (the "Concurrent Private Placement") of the Company of up to 20 million Units at a price of \$0.11 per Unit for gross proceeds of up to \$2.2 million. The Concurrent Private Placement will be on the same terms and conditions as the Rights Offering and will also be offered in the Provinces of Alberta, British Columbia, Saskatchewan and Ontario. Expenses and commissions for the Concurrent Private Placement are estimated to be \$118,000. The proceeds from the Rights Offering and Concurrent Private Placement will be used for exploration which qualifies for CEE to satisfy the Company's existing flow-through obligations.

As part of the Financing Agreement, Bridge Fund has agreed with the Company to back stop the Company's Rights Offering and Concurrent Private Placement (the "Backstop Financing") for any unsubscribed amounts under the Rights Offering and the Concurrent Private Placement. This could result in Bridge Fund potentially subscribing for up to 40,554,783 Units of the Company at a price of \$0.11 per Share for gross proceeds to the Company of \$4,461,026 and the issuance to Bridge Fund of more than 20% of the then issued and outstanding Class A Shares of the Company, which would result in a change of control of the Company to Bridge Fund. In accordance with TSXV policies, the Company has requested that disinterested shareholders approve the change of control resulting from the Debenture Financing and the Backstop Financing.

The Company also announces that it has mailed its Proxy Circular for its scheduled Annual and Special Meeting to be held on Wednesday, August 29, 2007. The Circular provides for standard annual business matters, disinterested shareholder approval to the resulting change of control pursuant to the Debenture Financing and Backstop Financing and a proposed change of name of the Company to Second Wave Petroleum Ltd.

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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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.