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Second Wave Petroleum Ltd.

News Release

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For Immediate Release  
Calgary, Alberta

Thursday, February 28, 2008  
TSX Venture Exchange: SCS.A & SCS.B  
255,180,838 Class A Shares  
935,616 Class B Shares

## **Second Wave Petroleum Announces Pricing of Private Placement and Debenture Financing**

**CALGARY, ALBERTA** – February 28, 2008. Second Wave Petroleum Ltd. (“Second Wave” or the “Company”) announces that further to its press release of February 25, 2008, the Company is proceeding with its previously announced acquisition (the “Transaction”) to acquire all of the issued and outstanding common shares of Milagro Energy Inc. (“Milagro”) and its \$23 million financing to be completed in conjunction with the Transaction. The Company announces that the equity portion of the financing will be completed by way of a private placement (the “Private Placement”) through the issuance of up to 40,000,000 Class A Shares of the Company issued at a price of \$0.25 per share for aggregate gross proceeds of up to \$10 million, which Brookfield Bridge Lending Fund Inc. (“Brookfield”) has agreed to backstop. In addition to the Private Placement, the Company will issue a new convertible junior secured debenture (the “Debenture”) of \$13 million principal amount to Brookfield which shall be at the floating prime interest rate and will be exercisable into Class A Shares of the Company at \$0.3125 per share until two years from the closing date of the Transaction. The Class A Shares to be issued pursuant to the Private Placement and on conversion of the Debenture are subject to a four month hold from the date of closing of the Transaction, subject to receipt of all necessary regulatory and stock exchange approvals. The Private Placement and Debenture will enable Second Wave to eliminate all of the estimated net debt of Milagro on the completion of the Transaction.

Second Wave is also pleased to announce that the Company’s Board of Directors has approved the granting of 2,250,000 stock options to the new members of the management team of the Company. The options will be issued with an exercise price of \$0.26 per share and have a five year term with standard vesting provisions.

### **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 and south eastern Saskatchewan. Second Wave remains focused on organic growth through the drill bit on its existing acreage while continuing a process of adding accretive acquisitions in 2008.

**For further information please contact:**

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*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.*