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**Second Wave Petroleum Ltd.**

**News Release**

**For Immediate Release  
Calgary, Alberta**

**Friday, May 9, 2008  
TSX Venture Exchange: SCS.A & SCS.B  
298,979,036 Class A Shares  
935,616 Class B Shares**

## **Second Wave Petroleum Acquires Milagro Energy and Completes Financings**

**Calgary, Alberta** - May 9, 2008 - Second Wave Petroleum Ltd. ("Second Wave" or the "Company") is pleased to announce that it has acquired 68.81% of the issued and outstanding common shares (the "Milagro Shares") of Milagro Energy Inc. ("Milagro") through its wholly-owned subsidiary Second Wave Holdings Ltd. An aggregate of 115,351,518 Milagro Shares, which represents approximately 68.81% of the issued and outstanding Milagro Shares on a fully-diluted basis, were tendered by the Offer deadline and taken-up and paid for through the issuance of 3,437,483 Class A Shares of Second Wave and 3,437,483 share purchase warrants to acquire Class A Shares of Second Wave (the "Offer Warrants"). The Offer Warrants have a term of one year and may be exercised at a price of \$0.40 for each Class A Share. As previously announced, Second Wave advises that the Offer has been extended until 4:30 p.m. (Calgary time) on May 23, 2008.

Second Wave also announces that the Company has completed the three previously announced financings to provide up to \$29.5 million of funds to the Company in order to finance the Milagro transaction and Second Wave's ongoing capital program for 2008. The Company announces that it has closed a private placement of \$10 million with Brookfield Bridge Lending Fund Inc. ("Brookfield") through the issuance of 40 million Units of the Company at a price of \$0.25 per Unit. Each Unit is comprised of one Class A Share and 0.6 of a Class A Share Purchase Warrant with each Warrant entitling the holder to purchase one Class A Share of the Company at a price of \$0.3125 for two years from the closing date. The Company also announces that it has closed a secured revolving facility agreement with Brookfield to provide \$7.5 million dollars to the Company. The Company further announces that it has completed a debt financing with its senior lender to increase its borrowing base from \$6 million to \$18 million on its existing credit facility with the lender.

### **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.

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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.*