



Second Wave Petroleum Ltd.**News Release**

**For Immediate Release
Calgary, Alberta****Wednesday, May 21, 2008
TSX Venture Exchange: SCS.A & SCS.B
298,979,036 Class A Shares
935,616 Class B Shares**

Second Wave Petroleum Announces Conversion of Class B Shares and Closing of Extension of Offer for Shares of Milagro

CALGARY, ALBERTA - May 21, 2008 - Second Wave Petroleum Ltd. ("Second Wave" or the "Company") has given notice that it is exercising its right to convert all Class B Shares into Class A Shares, effective as of May 26, 2008. Pursuant to its Articles, the Corporation will issue ten (10) Class A Shares for each Class B Share issued and outstanding. From and after May 26, 2008, the holders of Class B Shares shall be deemed to be holders of Class A Shares and shall not be entitled to exercise any of the rights of holders of Class B Shares other than the right to receive a certificate representing Class A Shares issuable upon conversion. Such certificates for Class A Shares may be received upon presentation and surrender of certificates for Class B Shares at the offices of the transfer agent of the Corporation, Olympia Trust Company, 2300, 125 - 9th Ave. S.E., Calgary, Alberta T2G 0P6. Second Wave currently has 935,616 Class B Shares outstanding. Upon conversion to Class A Shares, an additional 9,356,160 Class A Shares will be issued, resulting in a total of 308,335,196 Class A Shares outstanding. The Class B Shares will cease trading on Friday, May 23, 2008 at the close of market.

The Company announces that it plans to take-up and pay on May 27, 2008, for common shares of Milagro Energy Inc. ("Milagro") tendered to the extension of the Company's offer to the shareholders of Milagro who did not tender by the previous deadline of May 5, 2008. As previously announced, the Company, through its wholly-owned subsidiary Second Wave Holdings Ltd., acquired 68.81% of the issued and outstanding common shares of Milagro. The extension terminates at 4:30 p.m. on Friday, May 23, 2008 and shareholders of Milagro are encouraged to tender their shares to the extended offer, as the common shares of Milagro will be delisted from trading on the TSX after May 31, 2008. The Company also announces that as part of the closing of the transaction to acquire Milagro, it issued 260,714 Class A Shares at a deemed price of \$0.28 per share to two senior officers of Milagro as part of their severance packages. The shares issued had a hold period of four months from the date of issue.

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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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.