



Second Wave Petroleum Ltd.

News Release

For Immediate Release
Calgary, Alberta

Tuesday, May 27, 2008
TSX Venture Exchange: SCS.A
308,644,272 Class A Shares

Second Wave Petroleum Announces Extension of Offer for Milagro Energy, Annual Meeting and Consolidation of Class A Shares

CALGARY, ALBERTA - May 27, 2008 - Second Wave Petroleum Ltd. ("Second Wave" or the "Company") announces that the offer (the "Offer") of Second Wave and its wholly-owned subsidiary Second Wave Holdings Ltd. ("Holdings") to acquire all of the issued and outstanding common shares (the "Milagro Shares") of Milagro Energy Inc. ("Milagro") has been extended until 4:30 p.m. (Calgary time) on June 6, 2008. As previously announced on May 6, 2008, Second Wave acquired an aggregate of 115,351,518 Milagro Shares, which represented approximately 68.81% of the issued and outstanding Milagro Shares. The Offer was extended to May 23, 2008 and 10,371,777 Milagro Shares were tendered and Second Wave has taken-up and paid for those shares resulting in Second Wave holding approximately 75% of the outstanding Milagro Shares. Milagro shareholders are encouraged to tender their Milagro Shares to the extended Offer, as the Milagro Shares will be delisted from trading on the TSX after May 31, 2008.

Conversion of Class B Shares

As previously announced, the Company advises that it has completed the conversion of the Class B Shares of the Company and issued 9,356,160 Class A Shares to the holders of Class B Shares on May 26, 2008. The Class B Shares ceased trading on Friday, May 23, 2008 at the close of market.

Annual Meeting

The Company is also pleased to announce that the Annual and Special Meeting of Shareholders of the Company (the "Meeting") will be held on Wednesday, June 25, 2008 at 10:00 a.m. (Calgary time) in the Plaza Room at the Metropolitan Conference Centre, located at 333 – 4th Avenue SW, Calgary, Alberta. The Record Date for the Meeting is Monday, May 26, 2008 and the Notice of the Meeting and accompanying Information Circular detailing the information with respect to the Meeting matters, will be mailed to the Company's shareholders on May 28, 2008.

Share Consolidation

At the Meeting, shareholders of the Company, will be asked, among other things, to approve the consolidation of the Class A Shares of the Company on a one (1) for ten (10) basis (1:10) (the "Share Consolidation"). In conjunction with the Share Consolidation, the shareholders will also be asked to approve amending the Company's Articles to redesignate the Class A Shares as Common Shares (the "Redesignation") and to approve changing the Company's name to Second Wave Petroleum Inc. (the "Name Change"). The Share Consolidation, Redesignation and Name Change require the approval of 66 2/3% of the votes cast by the shareholders of Second Wave at the Meeting and are subject to approval by the TSX Venture Exchange.

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:

Robert F. Goods, CEO
Second Wave Petroleum Ltd.
1700, 520 – 5th Avenue SW
Calgary, AB T2P 3R7
Telephone: (403) 451-0169
Email: bgoods@secondwavepetroleum.com

Colin B. Witwer, President and COO
Second Wave Petroleum Ltd.
1700, 520 – 5th Avenue SW
Calgary, AB T2P 3R7
Telephone: (403) 451-0176
Email: cwitwer@secondwavepetroleum.com

Web: www.secondwavepetroleum.com

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.