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Second Wave Petroleum Inc.

News Release

For Immediate Release  
Calgary, Alberta

Thursday, June 26, 2008  
TSX Venture Exchange: SCS.A  
(to be amended to SCS on June 27, 2008)  
31,081,425 Common Shares

**Second Wave Petroleum Announces Consolidation and  
Redesignation of Class A Shares, Change of Name, Reduction of  
Stated Capital Account, Appointment of Directors and  
Extension of Offer for Milagro Energy**

**CALGARY, ALBERTA** - June 26, 2008. Second Wave Petroleum Inc. ("Second Wave" or the "Company") announces that at the Annual and Special Meeting (the "Meeting") of the Company held yesterday, the shareholders approved the consolidation of the Class A Shares of the Company on a one for ten (1:10) basis (the "Share Consolidation"), the amendment of the Articles of the Company to redesignate the Class A Shares as Common Shares (the "Redesignation"), the cancellation of the Class B Shares (the "Cancellation") and the change of the Company's name to Second Wave Petroleum Inc. (the "Name Change"). Effective as of the close of business yesterday, the Board of the Company approved the Share Consolidation, the Redesignation, the Cancellation and the Name Change. The Board and management of the Company believe that the Share Consolidation, the Redesignation, the Cancellation and the Name Change will provide increased financial strength, flexibility and clarity to the Company's capital structure and is in the best interests of the Company and its shareholders. Following the Share Consolidation, the Company has 31,081,425 Common Shares issued and outstanding. It is anticipated that the Company's newly designated Common Shares will commence trading today under the amended name and original trading symbol of "SCS.A", which will be amended to "SCS" for trading on June 27, 2008.

The Company also announces that the shareholders approved the reduction of the Company's stated capital account, which was reduced by the amount of \$33,003,382 following Board approval. The reduction in the share capital will be offset by a corresponding elimination of the Company's deficit.

The Company announces that a new slate of Directors was appointed at the Meeting. The Directors of the Company are Jim Reid (Chairman), Colin Witwer, Brian Baker, Bob Goods, Don Foulkes, Alan Steele and Neil Bokenfohr. The Company also announces the retirement of Robert F. Goods as Chief Executive Officer of the Company effective as of June 30, 2008, following two years of dedicated service to the Company. Mr. Goods will be replaced by Colin Witwer with a new title of President and Chief Executive Officer.

The Company also announces that its offer (the "Offer") 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 Wednesday, July 16, 2008. In the last extension, the Company acquired an aggregate of 4,988,025 Milagro Shares and now holds approximately 86.38% of the issued and outstanding Milagro Shares. Milagro shareholders are encouraged to tender their Milagro Shares to the extended Offer in order to obtain liquidity, as the Milagro Shares have been delisted from trading on the TSX.

### **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.***