



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

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TSX Venture Exchange: SCS
31,160,631 Common Shares

Second Wave Petroleum Announces Second Quarter Results and Completion of the Milagro Acquisition

CALGARY, ALBERTA – September 2, 2008. Second Wave Petroleum Inc. ("Second Wave" or the "Company") is pleased to announce its operating and financial results for the three and six months ended June 30, 2008 and the successful completion of its Milagro Energy Inc. (Milagro) acquisition.

Highlights:

- Production increased to 783 boe/d up 55% from the first quarter of 2008 and up 27% on a fully diluted share basis from the first quarter. Exit rate for the quarter was 925 boe/d with current production rates at 1,025 boe/d.
- Cash Flow from operations increased to \$2,596,000 up 60% from the first quarter of 2008 and up 31% on a fully diluted share basis from the first quarter
- Operating Netbacks increased to \$54.58 per boe up 22% from the first quarter
- Successfully completed the corporate acquisition of Milagro Energy Inc.
- Closed an equity financing for net proceeds of \$10,000,000
- 2008 capital program expanded to \$17mm and subsequently in August, 2008 expanded to \$20.4mm
- Hired 5 professionals and 1 administrative manager to the staff in the second quarter

The following table summarizes some of the key financial results for the second quarter. Complete financial statements and management's discussion and analysis for the period ended June 30, 2008 have been filed on SEDAR (www.sedar.com) and can also be found on the Company's website at www.secondwavepetroleum.com.

Second Quarter Summary:

(\$000's except per boe and per share amounts)	2008		2007			
	Q2	Q1	Q4	Q3	Q2	Q1
Average production (boe/d)	783	504	451	244	243	220
Petroleum and natural gas sales	6,326	3,407	2,494	1,120	1,203	1,045
Royalties	(803)	(466)	(338)	(197)	(196)	(165)
Operating expenses	(1,558)	(829)	(1,047)	(275)	(153)	(273)
Operating netback (per boe)	54.58	44.87	25.51	28.86	37.40	29.72
Funds from operations	2,596	1,617	(344)	(446)	18	(273)
Per share - basic	0.09	0.07	(0.03)	(0.06)	-	(0.05)
Per share - diluted	0.09	0.07	(0.03)	(0.06)	-	(0.05)
Net income (loss)	296	380	(1,640)	(1,102)	(1,200)	395
Per share - basic	0.01	0.01	(0.13)	(0.10)	(0.19)	0.07
Per share - diluted	0.01	0.01	(0.13)	(0.10)	(0.19)	0.05
Capital expenditures	4,070	1,627	14,303	1,034	52	396
Fully diluted weighted average shares outstanding (000's)	30,105	24,716	11,381	8,697	7,020	7,576

In the three months ended June 30, 2008 the capital program included the drilling of three wells at a 100% working interest. These drills resulted in one gas well, one oil well and one dry and abandoned well for a 67% success rate.

For the six months ended June 30, 2008, Second Wave has drilled four gross wells (3.6 net), which included one (1.0 net) gas well, one (1.0 net) oil well and two (1.6 net) dry and abandoned wells for a 55% success rate.

Operational Update:

To the end of August 2008 the Company has drilled seven (6.6 net) wells with five (5.0 net) wells being cased and completed successfully. A total of nine (9.0 net) recompletions at a 100% success rate have been completed in 2008. Current production is at 1,025 boe/d with an additional 50 boe/d behind pipe that is forecasted to be online by the end of 2008. For the remainder of the year the Company has budgeted two 100% working interest horizontal oil wells in each of the Provost and Battle Creek fields and one 30% working interest horizontal oil well in the Tableland field. The first of these five horizontal wells is scheduled to be spud in September with the remaining four wells planned to be drilled in Q4. All five of these wells are forecasted to be on line by the end of 2008. In Judy Creek the Company plans to shoot a 5,760 acre 3-D seismic program in Q3 followed by one vertical oil well budgeted for late in Q4.

Milagro Acquisition:

Second Wave is also pleased to announce that it has successfully concluded the acquisition, through its wholly-owned subsidiary Second Wave Holdings Ltd. (Holdings), of all of the issued and outstanding shares of Milagro. The Holdings offer for Milagro expired on August 28, 2008, as of which time more than 90% of the outstanding Milagro shares had been tendered. Holdings has taken up and paid for all such shares under the offer and subsequently exercised its right to acquire the remaining Milagro shares not tendered pursuant to the compulsory acquisition provisions of the Business Corporations Act (Alberta). Milagro is now an indirect, wholly-owned subsidiary of Second Wave.

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 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.