



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

Friday, November 28, 2008
TSX Venture Exchange: SCS
31,025,209 Common Shares

Second Wave Petroleum Announces Third Quarter Results, CO2 Processing Plant Purchase and the Successful Drilling of its First Two Horizontal Oil Wells in Provost

CALGARY, ALBERTA – November 28, 2008. Second Wave Petroleum Inc. ("Second Wave" or the "Company") is pleased to announce its operating and financial results for the three and nine months ended September 30, 2008, the purchase of a CO2 Processing Plant in the Battle Creek area of Saskatchewan and the successful drilling of its first two horizontal Mannville oil wells in Provost.

Highlights:

- Production increased to 933 boe/d, up 85% from the first quarter of 2008 (41% on a fully diluted share basis). Production is currently 1,200 boe/d (60% oil weighting) and the Company remains on track to meet its exit target of 1,250 boe/d.
- Funds from operations increased to \$2,250,000, up 39% from the first quarter of 2008.
- Successfully drilled its first horizontal Mannville oil well (100 % W.I.) in Provost in the third quarter, with a second 100% horizontal drilled early in the fourth quarter. Since being brought on production average flow rates from each well have exceeded 75 boe/d.
- Expanded the 100% owned and operated Provost oil battery and gas gathering system to facilitate production from the Company's upcoming horizontal drilling program. Based on geological mapping and 3-D seismic this program could result in fourteen (14 net) additional wells being drilled. Production from Provost has increased from 226 boe/d in the first quarter to 620 boe/d in the third quarter, and is anticipated to exit 2008 at a rate of 700 boe/d.
- Signed a letter of intent to purchase the Battle Creek CO2 Processing Plant from a third party, with plans to initiate its Madison oil CO2 flood project in 2009. In Battle Creek, the Company holds a 100% working interest in both a Madison heavy oil pool estimated to contain 18 mmbbl of original oil in place and a Duperow gas reservoir internally estimated to contain 10 bcf of original gas in place with an 85% CO2 concentration.

Based on simulation data Second Wave believes that a successful CO2 flood in the Madison pool could yield 1.26 mmbbl of recoverable resources net to the Company.

- Acquired an additional 15,680 of net undeveloped acres in its core areas of Tableland, Saskatchewan (11,520 acres) and Judy Creek, Alberta (3,840 acres). The Company has since added an additional 4,160 acres of undeveloped land in Tableland to bring its total net undeveloped acreage to 100,100 acres with 44,265 net undeveloped acres being in Saskatchewan.

The original oil in place estimate of 18 mmbbl for the Madison heavy oil pool is based on a third party engineering report having an effective date of November 1, 2007. Of this amount, approximately 11% has been classified as recoverable reserves under primary recovery. The original gas in place estimate of 10 bcf for the Duperow gas reservoir is based on the Company's current internal assessment. Estimated results of a successful CO2 flood in the Madison pool are also internally generated. There is no certainty that it will be commercially viable to produce any portion of the resources not currently classified as recoverable reserves. See "Disclosure Concerning Resources" below.

The following table summarizes certain key financial results for the third quarter and prior interim periods as indicated. Complete financial statements and management's discussion and analysis for the interim period ended September 30, 2008 have been filed on SEDAR (www.sedar.com) and are posted on the Company's website at www.secondwavepetroleum.com.

Quarterly Financial Summary

	2008			2007			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(\$000's except per boe and per share amounts)</i>							
Average production (boe/d)	933	783	504	451	244	243	220
Petroleum and natural gas sales	7,197	6,326	3,407	2,494	1,120	1,203	1,045
Royalties	(905)	(803)	(466)	(338)	(197)	(196)	(165)
Operating expenses	(2,588)	(1,558)	(829)	(1,047)	(275)	(153)	(273)
Operating netback (per boe)	42.10	54.58	44.87	25.51	28.86	37.40	29.72
Funds from operations	2,250	2,596	1,617	(344)	(446)	18	(273)
Per share – basic	0.07	0.09	0.07	(0.03)	(0.06)	-	(0.05)
Per share - diluted	0.07	0.09	0.07	(0.03)	(0.06)	-	(0.05)
Net income (loss)	665	296	380	(1,640)	(1,102)	(1,200)	395
Per share - basic	0.02	0.01	0.01	(0.13)	(0.10)	(0.19)	0.07
Per share - diluted	0.02	0.01	0.01	(0.13)	(0.10)	(0.19)	0.05
Capital expenditures	9,169	4,070	1,627	14,303	1,034	52	396
Fully diluted shares outstanding (000's)	32,450	30,105	24,716	11,381	8,697	7,020	7,576

Third Quarter Summary

The three month period ended September 30, 2008 was the most active period in the Company's history with four (4 net) drills, thirteen (13 net) re-completions and sixteen (16 net) work overs. The Company continues to focus on oil plays and to that end all of the capital projects in the third quarter have been on oil projects within the Company's existing core areas. Second Wave successfully drilled three (3 net) oil wells in the third quarter with one (1 net) well being dry and abandoned for a 75% success rate. The thirteen (13 net) re-completions targeted oil bearing formations in Provost, and were 100% successful with ten of these re-completions delineating the Company's Mannville oil play. For the nine months ended September 30, 2008, Second Wave has drilled eight (7.65 net) gross wells, which included five (5 net) oil wells and three (2.65 net) dry and abandoned wells for a 63% success rate.

During the third quarter the Company completed a substantial number of operational projects to upgrade and maintain recently purchased assets. Although the Company's asset acquisition in the fourth quarter of 2007 and the corporate acquisition of Milagro Energy in May 2008 provided substantial drilling upside, these properties were historically undercapitalized and under maintained. In the third quarter alone, Second Wave expended \$842,000 (\$9.80/boe for the quarter) on operational projects to meet regulatory operational standards at these properties.

The Company completed a two week turnaround in its Provost field in the third quarter. Production curtailments during this turnaround reduced corporate production for the quarter by 45 boe/d net and non-capitalized costs associated with this turnaround amounted to \$225,000 or \$2.62 per boe for the quarter. In 2008, the Company budgeted \$2,000,000 of capital to be spent on facility expansions and upgrades in the Provost area with the last of these projects scheduled to be completed prior to year end.

Historical operating costs in Provost have been \$21.00 per boe with 70% to 80% of these costs being fixed due to the high water cut nature of the production. During the third quarter Second Wave completed its field turnaround and the production from the field has subsequently increased by 250% from pre-turnaround rates. Provost is the Company's largest producing property representing over 50% of its production base and as such the Company believes that these improvements will have a material impact in reducing corporate operating expenses on a go forward basis.

The Company's work over and maintenance program on the acquired assets in the third quarter accounted for \$617,000 in operating expenditures or \$7.19 per boe. These expenditures are considered non-recurring and were required to meet regulatory standards, maintain production and improve efficiencies. As these assets were historically undercapitalized Second Wave expects that the majority of these costs were one-time items.

On a go forward basis the Company has identified additional capital projects to reduce operating costs in its core areas and anticipates that certain of these will be completed in 2009. With increased production rates and the majority of the asset integration costs now complete, the Company believes that long term operating costs will begin to trend below their historical levels.

Operational Update

Provost

In Provost, the Company has remained focused in 2008 on bringing its Mannville exploration oil play to the developmental stage. Based on 3-D seismic and geological mapping Second Wave estimates that this oil play contains over 20 mmbbl of resources on Second Wave land, with the majority of the resources being subject to freehold royalties and not Alberta crown royalty rates. Although there is no certainty that it will be commercially viable to produce all of these resources, the Company believes that, once delineated, this play can be economically developed via horizontal wells utilizing multi-stage fracture stimulation techniques. Year to date the Company has drilled four (4 net) vertical wells to delineate the play, with three wells being successful. To further define the Mannville play Second Wave has re-completed twelve (12 net) existing well bores in 2008 with a 100% success rate.

Based on these results the Company has moved ahead on the development of this Mannville resource via horizontal drilling. In the third and fourth quarter, two (2 net) horizontal wells were drilled and completed successfully. Both horizontal wells are now on production, and to date they have performed within the Company's expectations at production rates per well in excess of 75 boe/d. Second Wave has subsequently received approval from the ERCB to horizontally develop all of its Mannville oil pools, and as such the Company could have an additional 14 horizontal wells to drill on its existing land base in Provost. Based on analog data the Company believes that these wells have the potential to produce at initial rates of 75 boe/d with recoverable resources of 100 to 150 mboe.

Battle Creek

In Battle Creek, the Company plans to move forward on its CO₂ Immiscible Flood project in the Madison formation. Second Wave has a 100% working interest in both a Madison heavy oil pool estimated to contain 18 mmbbl of original oil in place and a Duperow gas reservoir internally estimated to contain 10 bcf of original gas in place with an 85% CO₂ concentration. Both reservoirs are 3-D seismically defined with 19 well bores penetrating the Madison formation and 4 well bores into the Duperow formation which provide a substantial number of control points for reservoir volume estimates.

During the fourth quarter, the Company signed a letter of intent for the purchase of a CO₂ processing plant in Battle Creek that will allow the Company to process the Duperow gas and produce a high quality CO₂ feed stock for the flood project. Second Wave expects to complete the purchase in early 2009. With this transaction, the Company is on track to initiate CO₂ injection in the third quarter of 2009 with reservoir response expected in the fourth quarter. Based on analog and simulation data, the Company believes that a full flood has the potential to increase production rates from the pool between two-fold and four-fold and, according to current internal assessments, yield recoverable resources of between 11% and 18% of the estimated original oil in place, or 1.26 mmbbl net to Second Wave.

Based on the horizontal well and EOR royalty holiday program in Saskatchewan, the Company would expect to pay a substantially reduced royalty rate on all incremental production from the

pool. This project is expected provide material financial upside to the Company even at current commodity prices.

Tableland

In the third quarter, Second Wave's partners finished their completion operations on the second exploratory Sanish well in Tableland. However the Operator has subsequently shut the well in during the fourth quarter as water cuts at the end of an extended production test were higher than expected, resulting in negative cash flows. This well was the second and final farm-in commitment well on the Tableland land block and was drilled and completed at no cost to the Company. Second Wave and its partners are reviewing the completion techniques utilized on the second well as the test results differed materially from the first horizontal Sanish well drilled in Tableland, which has produced for 11 months with little to no change in its producing water cuts (averaging 66%).

In addition to the Sanish exploration activities Second Wave has continued to review the recent Bakken horizontal drilling and production activities in the area. A substantial amount of drilling activity has taken place over the last quarter with commercial Bakken wells being drilled in close proximity to Tableland. However with the volatility in commodity prices in combination with high service costs, Second Wave will be delaying any additional drilling activities in Tableland until the economics improve. The Company has continued to acquire additional lands in the interim on its Bakken and Sanish exploration plays in SE Saskatchewan with 15,680 net acres purchased in Tableland since the end of the first quarter. The Tableland acreage has a significant amount of tenure remaining on it and as such the Company will continue to review its corporate drilling program and look to renew its exploration efforts when the timing is appropriate.

2009 Outlook

Second Wave has grown via the drill bit and acquisitions in 2008, and remains on track for an exit rate of 1,250 boe/d. With the recent developments in global capital markets and commodity prices the Company has taken a more cautious approach to its capital program in 2009 and has budgeted to utilize existing cash flow and credit facilities for its capital projects. Second Wave remains focused on oil projects and has a large inventory of lower risk prospects in its core areas that can provide material growth to its shareholders within the current commodity price environment. Further guidance on the 2009 capital budget will be provided as the first quarter progresses. The Company will continue to evaluate oil weighted consolidation opportunities to enhance shareholder value and has an active land acquisition strategy in its core areas planned for 2009.

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The TSX Venture Exchange has neither approved nor disapproved the contents of this news release and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements. *This news release contains forward-looking statements that are expressly qualified, in their entirety, by this caution. Such statements include all disclosure concerning the plans, intentions or expectations of the Company or its management in future periods. Forward-looking statements are often, but not always, identified by words such as "believe", "expect", "estimate", "intend", "plan", "seek", "anticipate", "projected", "scheduled", "continue", "potential", "will", "may", "might", "should", "would", "could" and similar expressions. Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to substantial known and unknown risks and uncertainties, many of which are beyond the Company's control. Forward-looking statements are not guarantees of future outcomes. There can be no assurance that the plans, intentions or expectations contained in the forward-looking statements or upon which they are based will in fact occur or be realized, and actual results, performance or achievements may differ from those expressed or implied in the forward-looking statements. The difference may be material.*

Specific forward looking statements contained in this news release include, among others, statements regarding: 2008 year-end exit rate production levels and the likelihood of target or expected rates being met, whether by the Company as a whole or in respect of particular properties; future drilling prospects and activities, whether in 2009 or later years; completion of the Company's acquisition of the Battle Creek CO2 plant; plans concerning the Madison CO2 flood project in 2009; expected operating expense improvements from the Provost field turnaround completed in the third quarter of 2008; the effect of additional capital projects on operating costs and anticipated timing of any such projects; expectations with respect to applicable royalty rates on Battle Creek production; and future growth prospects. Any other statements suggesting future plans and outcomes, including any statements regarding possible transactions, are also forward-looking statements. Statements concerning estimated volumes of "in place" oil and gas resources are deemed to be forward-looking statements as they involve an implied assessment, based on certain estimates and assumptions, of the ability to produce in the future the resources described.

In making the forward-looking statements contained in this news release, Second Wave has made various assumptions regarding, among other things: future prices of crude oil, natural gas and other commodities; future capital requirements; the accessibility and cost of capital (including interest rates on borrowed money); oil and gas volumes contained in the Company's properties; its ability to economically produce oil and gas from its properties, and the timing and cost to do so; its ability to obtain all required regulatory approvals on a timely basis and subject to satisfactory terms and conditions; its ability to obtain qualified staff, equipment and supplies in a timely and cost-efficient manner; and the prevailing regulatory framework within which Second Wave will operate and conduct its business, including with respect to royalties, taxes and environmental matters.

Second Wave is subject to the inherent risks associated with the exploration, development, exploitation and production of oil and gas. More particularly, material risk factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements contained in this news release include: adverse changes in commodity prices, interest rates or currency exchange rates;

accessibility of capital when required and on acceptable terms; lower than expected production of crude oil and natural gas; production delays; lower than expected resource volumes on the Company's properties; increased operating costs; ability to attract and retain qualified personnel or to secure drilling rigs and other services on acceptable terms; competition for labour, equipment and materials necessary to advance the Company's projects; unforeseen engineering, environmental or geological problems; ability to obtain all required regulatory approvals on a timely basis and on satisfactory terms; and changes in laws and governmental regulations. This list of factors is not exhaustive. Readers should also review the risk factors described in other documents filed by the Company from time to time with securities regulatory authorities in Canada, including its annual information form dated April 29, 2008, copies of which are available electronically at www.sedar.com and at www.secondwavepetroleum.com.

All forward-looking statements contained in this news release and any subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are qualified in their entirety by these cautionary statements. Further, the included forward-looking statements are made as of the date of this news release and. Second Wave undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Disclosure Concerning Resources. *The determination of oil and gas resources (including reserves) involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of resources requires the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied.*

All "in place" volumes of oil and gas resources referred to in this news release are classified as "discovered petroleum initially-in-place" within the meaning of the Canadian Oil & Gas Evaluation Handbook (COGE Handbook). The term "discovered petroleum initially-in-place" is equivalent to discovered resources, and is defined in the COGE Handbook to mean that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves, and contingent resources; the remainder is unrecoverable. There is no certainty that it will be commercially viable to produce any portion of the resources referred to in this news release, none of which have been classified as reserves or as "contingent resources" (defined in the COGE Handbook as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies that can include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets). Accordingly, no portion of the "in place" resource volumes referred to herein represent recoverable volumes at this time.

Use of the term "BOE". *The term BOE refers to barrel of oil equivalent. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per one (1) bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*