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**For Immediate Release**  
**TSX Venture Exchange: SCS**

## **Second Wave Petroleum Inc. Announces Year End 2008 Financials**

**CALGARY, ALBERTA** – May 1, 2009. Second Wave Petroleum Inc. (“Second Wave” or the “Company”) is pleased to announce its financial and operating results for the three months and year ended December 31, 2008. The Company's audited annual financial statements, related management’s discussion and analysis, and reports on year-end reserves data and other oil and gas information under National Instrument 51-101 have all been filed with Canadian securities regulatory authorities. Copies may be obtained electronically on SEDAR at [www.sedar.com](http://www.sedar.com) and from the Company’s website at [www.secondwavepetroleum.com](http://www.secondwavepetroleum.com).

### **2008 Highlights**

- Increased 2008 average production by 182% to 819 boe/d, up from 290 boe/d in 2007. Proved plus probable reserve additions replaced production by more than 8 times.
- Increased revenues in 2008 by 269% to \$21.62 million.
- Increased 2008 cash flow by 821% to \$7.5 million.
- Increased proved plus probable (“P+P”) reserves by 122% to 4,365 mboe. Net present value of the reserves discounted at 10% increased 127% to \$73.4 mm.
- Reduced General and Administrative (“G&A”) expenses by 59%, on a per unit basis, during 2008 to \$8.84/boe with fourth quarter G&A of \$4.97/boe.
- Increased undeveloped acreage by 142% in 2008 to 108,605 net acres. Completed a 9 square mile 3-D seismic program in Judy Creek to facilitate development and exploration drilling in 2009 and beyond.
- Successfully drilled our first two horizontal multi-stage frac Mannville oil wells in Provost.
- Expanded capacity at the 100% working interest oil battery in Provost by 50% to 20,000 bbl/d of emulsion, tied 12 single well batteries into the oil gathering system, and constructed a low pressure gas gathering system to conserve solution gas production.
- Constructed a 100% working interest oil battery in Coronation and tied in 6 single well batteries to reduce trucking, emulsion processing costs and general operating costs.

## Selected Annual Financial Information

(\$000s, except share amounts)	Three months ended December 31,			Year ended December 31,		
	2008	2007	% Change	2008	2007	% Change
Sales revenue	<b>4,688</b>	2,494	88	<b>21,618</b>	5,862	269
Royalties	<b>(560)</b>	(338)	66	<b>(2,801)</b>	(980)	186
Lease operating costs	<b>(2,468)</b>	(1,047)	136	<b>(7,443)</b>	(1,719)	333
Transportation	<b>(163)</b>	(50)	226	<b>(384)</b>	(127)	202
<b>Operating netback</b>	<b>1,497</b>	1,059	41	<b>10,990</b>	3,036	262
<b>Production volumes</b>						
Oil (bbl/d)	<b>546</b>	285	92	<b>450</b>	145	210
Natural gas liquids (bbl/d)	<b>44</b>	22	100	<b>35</b>	22	59
Natural gas (mcf/d)	<b>2,711</b>	868	212	<b>2,000</b>	739	171
Combined (6:1)	<b>1,042</b>	451	131	<b>819</b>	290	182
Operating netback per boe	<b>15.61</b>	25.51	39	<b>37.65</b>	28.69	31
Total capital expenditures	<b>7,590</b>	12,707	(40)	<b>48,721</b>	16,281	199
<b>Net loss</b>	<b>(1,587)</b>	(1,640)	3	<b>(246)</b>	(3,546)	93
Funds from operations per share:						
Basic (\$)	<b>0.03</b>	(0.02)	250	<b>0.26</b>	(0.10)	360
Diluted (\$)	<b>0.03</b>	(0.02)	250	<b>0.25</b>	(0.10)	350
Net loss per share:						
Basic (\$)	<b>(0.05)</b>	(0.13)	62	<b>(0.01)</b>	(0.39)	97
Diluted (\$)	<b>(0.05)</b>	(0.11)	55	<b>(0.01)</b>	(0.31)	103

## Message to Shareholders

2008 has proved to be a pivotal year, as the Company completed its restructuring process in January and has since been able to substantially increase production, cash flows and its undeveloped land base. These critical steps have positioned the Company for additional growth and provide investors with what management believes to be significant upside potential. Since the re-capitalization of the Company, Second Wave's new management team has assembled an oil focused asset base with a large inventory of both developmental and exploration drilling opportunities. The Company achieved record production in 2008 with fourth quarter production averaging 1,042 boe/d, a 131% increase from the fourth quarter of 2007. Cash flows from operations also increased on a year over year basis, growing 821% during 2008 to \$7.5 million on an annual basis.

During 2008 the Company focused its efforts on development of the large oil in place opportunities present within the existing asset base. The company has been extremely pleased with the results of its efforts to date as demonstrated by the significant increases in production, cash flows and reserves within our existing core areas. This success has allowed us to further develop oil exploration activities on large undeveloped land blocks in both Judy Creek (36,289 net undeveloped acres) and Milo (16,165 net undeveloped acres), which the Company believes will provide the basis for additional reserve and production growth in 2009 and beyond. In the current commodity price environment our oil weighted reserve base and development

opportunities will serve us well moving forward. The Company exited 2008 with total liquids production accounting for over 60% of total corporate production. Our reserve weighting to liquids has also increased during the year, accounting for 70% of total reserves at year end compared to 55% in the prior year..

While the restructuring effort and acquisition of the Milagro assets have presented the Company with quality development opportunities it has also presented the Company with several operational challenges in 2008. The assets previously owned by Second Wave and those acquired from Milagro had been undercapitalized for a significant period of time and as a result required a meaningful investment in 2008 to bring them back up to industry standard. While this has resulted in higher than expected operating costs during 2008, we believe these essential operations were necessary investments which are now behind us and will provide the benefit of operational efficiencies and improved operating costs in future years.

With the current weakness in commodity prices and the uncertainty in the capital markets Second Wave has taken a more cautious approach to its operations in 2009. Although the short term outlook on commodities is negative, the Company believes that commodity prices and especially oil prices are positioned to rebound in the later half of 2009. Reduced industry activity levels in 2009 have also resulted in a significant amount of downward pricing pressure on the oilfield service sector. Lower service prices in conjunction with higher cash flows in the later half of the year have the potential to provide the Company with substantially stronger drilling economics than those in the current environment. With half of our \$8.0 million budgeted capital program completed in the first quarter of 2009, Second Wave plans to monitor the current commodity environment closely throughout the summer months and adjust or resume capital activities accordingly this fall.

It is important to recognize the contribution to our success that our staff, directors and field operations personnel have made. Their tireless work in 2008 has helped to bring our successful development concepts to fruition. Our field personnel have continued in 2008 to perform our operations safely and efficiently while meeting or exceeding all industry standards. We would also like to thank former directors Ross Drysdale and David MacDonald for their contribution in the re-organization and re-capitalization process of Second Wave. Their previous work and continued support have helped to facilitate the successful growth experienced in 2008 and years to follow.

The Company has a tremendous amount of drilling opportunities on its existing land base but believes a conservative approach to capital activity is appropriate in the current economic environment. The Company is forecasting 2009 annual production in the range of 1,050 to 1,100 boe/d (68% Oil and NGLs) representing a 28% increase on a year over year basis.

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President and Chief Executive Officer

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***BOE Conversion.** The term boe refers to barrel of oil equivalent. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf (six thousand cubic feet) to one bbl (one barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

***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. Although the Company believes that these forward-looking statements are reasonable, undue reliance should not be placed on them as they are inherently uncertain, based on estimates and assumptions, and 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.*

*Statements relating to "reserves" are forward-looking statements, as they involve an implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can profitably be produced in the future. This news release also includes forward-looking statements regarding forecasted annual production for 2009 and expectations concerning product mix, as well as general expectations with respect to growth in reserves and production, improvements in operational efficiencies and operating costs and drilling prospects on the Company's properties.*

*In making the forward-looking statements contained in this news release, Second Wave has made various assumptions regarding, among other things: the accuracy of geological and geophysical data and interpretations of that data; future oil and natural gas prices; future capital requirements; the accessibility and cost of capital (including credit); the Company's ability to economically produce oil and gas from its properties and the timing and cost to do so; and its ability to obtain qualified staff, equipment and supplies in a timely and cost-efficient manner.*

*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.*