



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

TSX Venture Exchange: SCS
47,807,340 Common Shares

Second Wave Petroleum Releases Second Quarter 2009 Results; Focuses on Oil Resource Plays at Judy Creek and Battle Creek

CALGARY, ALBERTA--(Aug. 28, 2009) - Second Wave Petroleum Inc. ("Second Wave" or the "Company") (TSX VENTURE:SCS) is pleased to announce its financial and operating results for the three months ended June 30, 2009. Second Wave's full second quarter financial statements and management's discussion and analysis have been filed on SEDAR at www.sedar.com and are also available on the Company's website at www.secondwavepetroleum.com.

Second Quarter 2009 Highlights

- Second Wave's production averaged 987 boe/d, up 26% from 783 boe/d during the second quarter of 2008. The production mix was weighted 55% to oil and natural gas liquids. Production remained relatively stable from the first quarter average of 979 boe/d.
- Second Wave initiated production from its first 100% working interest horizontal oil well in the Pekisko F pool in Judy Creek which is currently producing 50 boe/d (50% oil) after five months of production. Subsequent to the quarter end, the Company drilled its first horizontal oil well in the Pekisko G pool which has tested at production rates in excess of 180 boe/d (55% oil and liquids) and is now on production with expected initial production rates of 100 to 150 boe (65% oil and liquids).
- Second Wave completed a \$10.6 million private placement equity financing with proceeds of \$4.6 million from a common share offering at \$0.90 per share and \$6.0 million from a flow through placement at \$1.05 per share.
- Despite increased production volumes, petroleum and natural gas revenues decreased to \$3.8 million for the quarter, down from \$6.3 million in the second quarter of 2008. This can be mainly attributed to significantly lower overall commodity prices.
- The Company generated cash flow from operating activities of \$1.0 million (\$0.02 per share) for the three months ended June 30, 2009. A net loss of \$4.1 million (\$0.11 per share) was recorded for the quarter due primarily to depletion charges of \$2.3 million and unrealized losses on financial derivatives of \$1.5 million. This compares to net income of \$0.3 million (\$0.01 per share) in the second quarter of 2008.

Selected Financial and Operating Information

(\$000s, except share amounts)	Three months ended			Six months ended		
	2009	2008	June 30, % Change	2009	2008	June 30, % Change
Petroleum and natural gas sales	3,798	6,326	(40)	7,124	9,733	(27)
Royalties	(347)	(803)	(131)	(754)	(1,269)	(41)
Lease operating costs	(2,355)	(1,558)	51	(4,318)	(2,388)	81
Transportation	(106)	(77)	38	(205)	(131)	56
Operating netback	990	3,888	(75)	1,847	5,945	(69)
Production Volumes						
Crude oil (bbls/d)	509	408	25	510	368	39
Natural gas liquids (bbls/d)	38	40	(5)	36	31	16
Natural gas (mcf/d)	2,637	2,012	31	2,605	1,466	78
Combined (6:1) boe/d	987	783	26	979	643	52
Crude oil and liquids weighting (%)						
	55	57	(3)	56	62	(10)
Operating netback per boe	11.02	54.58	(80)	10.42	50.77	(79)
Total capital expenditures	2,163	4,070	(48)	7,045	5,696	24
Net income (loss)	(4,138)	296	(1,498)	(6,266)	676	(1,027)
Funds from operations per share (1):						
	-	0.09	-	-	0.16	-
Cash flow from (used in) operating activities per share:	0.02	(0.02)	200	0.03	0.03	-
Net income (loss) per share:	(0.11)	0.01	(1,200)	(0.18)	0.03	(700)

(1) Funds from operations is a non-GAAP measure that does not have a standardized meaning as prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other oil and gas companies. Management considers it an important measure as it demonstrates the Company's ability to generate the cash flow necessary to fund future growth through capital investment.

Operational Review

Average production during the second quarter in 2009 of 987 boe/d was slightly higher than the first quarter as new production additions were mitigated by downtime associated with facility turn arounds in Battle Creek and Judy Creek. Production for the quarter was weighted 55% to oil and natural gas liquids.

With the addition of recent volumes in Judy Creek the Company increased its current production to 1,075 boe/d (55% oil and liquids). In light of weakening natural gas prices the Company will continue to remain diligent by shutting in or curtailing low netback gas production as prices and operating parameters dictate. To this extent the Company is evaluating shutting in an additional 50-100 boe/d of gas production which is currently processed at third party facilities. The Company currently has approximately 100 boe/d of low netback production that is shut in. The Company views the current gas price environment as short term and as such these potential production curtailments on marginal netback gas production will preserve the Company's long term share value with negligible effects on current cash flows.

In Judy Creek, the Company has added incremental production in 2009 with August production rates reaching approximately 250 boe/d, significantly higher than the first quarter and second quarter average of 30 boe/d and 101 boe/d, respectively. These additional production volumes are expected to substantially improve area netbacks and ultimately reduce corporate operating costs on a per unit basis. The Company believes that it will be able to continue to improve its operating costs in Judy Creek and hence its overall corporate operating costs in 2009 and 2010 as the existing facilities still have sufficient capacity to accommodate planned production additions.

Prior to attaining production increases in Judy Creek, the Company has historically experienced operating costs higher than the corporate average in its core areas of Judy Creek and Battle Creek due to underutilized processing facilities. Second Wave experienced a substantial amount of downtime and costs at these facilities in the second quarter as a result of scheduled maintenance and facility upgrades. Aggregate facility maintenance costs amounted to \$2.25/boe or \$200,000 in the second quarter. The facilities in both areas were initially constructed with substantially larger production capacities than currently required. Going forward this excess capacity will provide the Company with the ability to produce future drilling volumes at lower capital costs per unit.

At Battle Creek, production has remained level since the first quarter when low-netback oil production was shut in and capital allocated to Judy Creek. With oil prices strengthening, the Company has planned to re-direct capital to its 100% Madison oil pool development project in the second half of 2009. Based on the timing of these expenditures and anticipated production adds corporate per unit costs are not expected to benefit from anticipated production and related operating efficiencies until after the third quarter of 2009.

Outlook

Second Wave continues to position itself to take advantage of its drilling inventory assembled on oil resource plays. Second Wave has identified the potential for an additional 50 100% working interest horizontal drilling locations on its Judy Creek Pekisko F & G pools and is focused on strategically drilling this oil resource play to maximize growth for the Company's shareholders.

The recent drilling success at Judy Creek is translating to an increase in overall production capability and has improved netbacks at that property. While some of this success will begin to become more evident in our third quarter results, Second Wave is most enthusiastic about the medium and long-term growth potential from a full development drilling program on this and other oil resource plays in our inventory.

The remaining 2009 capital program is concentrated on Second Wave's horizontal oil well development plays in Judy Creek and Battle Creek, where management expects to generate further production adds and operating cost improvements as these projects are advanced. The Company continues to review opportunities to further improve corporate netbacks by reducing operating expenditures and improving efficiencies in all other areas as well.

To view the Company's current Corporate Presentation, please visit the Second Wave website at www.secondwavepetroleum.com.

For more information, please contact

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Barrels of Oil Equivalent (BOEs). 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 as to the Company's internal projections, expectations and beliefs relating to future events or circumstances. Forward-looking statements are typically (but not necessarily) identified by words such as "anticipate", "believe", "plan", "estimate", "expect", "plan", "intend", "potential", "may", "will", "should" or similar words suggesting future outcomes. Although the Company believes that these forward-looking statements are reasonable, undue reliance should not be placed on them as they are subject to 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 may differ from those expressed or implied in the forward-looking statements. The difference may be material.

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 reserve 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 (including with respect to taxes and royalties). This list 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 most recent annual information form, copies of which are available electronically at www.sedar.com and at www.secondwavepetroleum.com.

Specific forward-looking statements contained in this news release include statements regarding: the scope and timing of a follow-up drilling program for the Pekisko F and G pools; future horizontal drilling locations; expected production rates; the possible shut-in of additional production; and expectations with respect to improvements in netbacks, operating costs and production efficiencies. In making such forward-looking statements, 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; future exchange rates; 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.

The forward-looking statements included herein are made as of the date of this news release and Second Wave undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.