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Second Wave Petroleum Inc.

News Release

**For Immediate Release**  
**Calgary, Alberta**

**TSX Venture Exchange: SCS**  
**60,287,940 Common Shares**

## **Second Wave Petroleum Releases Q3 2009 Results; Reports Successful Drilling at Judy Creek and Battle Creek**

November 30, 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 September 30, 2009. Second Wave's full third quarter financial statements and management's discussion and analysis have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and are also available on the Company's website at [www.secondwavepetroleum.com](http://www.secondwavepetroleum.com).

### **Third Quarter 2009 Highlights**

- Second Wave's production averaged 990 boe/d, up 6% from 933 boe/d during the third quarter of 2008 and unchanged from the second quarter average of 987 boe/d. The production mix was weighted 56% to oil and natural gas liquids.
- Second Wave initiated production from its first 100% working interest horizontal oil well in the Pekisko G pool in Judy Creek late in the third quarter, and subsequent to quarter end drilled two additional horizontal oil wells and one vertical well in Judy Creek.
- Second Wave completed the interim review on its bank lines, which were increased to \$20 million from \$18 million. Subsequent to the end of the quarter the Company completed an \$18 million common share financing on October 20, 2009 with all senior debt then outstanding being substantially repaid from the proceeds of the offering, thereby providing the full facility to assist the Company in its fourth quarter 2009 and 2010 capital programs.
- During the third quarter the Company continued to reduce operating expenditures and administrative costs from previous periods.
- Petroleum and natural gas revenues totaled \$4.0 million for the quarter, down from \$7.2 million for the third quarter of 2008 due to significantly lower overall commodity prices.
- The Company generated a field operating netback of \$1.3 million (\$0.01 per share) for the third quarter. A net loss of \$1.6 million (\$0.03 per share) was recorded for the quarter due primarily to depletion charges of \$2.7 million. This compares to net income of \$0.7 million (\$0.08 per share) in the third quarter of 2008. Funds from operations in the third quarter increased on a quarter over quarter basis to \$0.3 million from (\$0.1) million in the second quarter.

## Selected Financial and Operating Information

(\$000s, except per boe and per share amounts)	Three months ended September 30,			Nine months ended September 30,		
	2009	2008	% Change	2009	2008	% Change
Petroleum and natural gas sales	<b>4,006</b>	7,197	(44)	<b>11,130</b>	16,929	(34)
Royalties	<b>(342)</b>	(905)	(62)	<b>(1,096)</b>	(2,174)	(50)
Lease operating costs	<b>(2,224)</b>	(2,588)	(14)	<b>(6,542)</b>	(4,975)	31
Transportation	<b>(98)</b>	(90)	9	<b>(303)</b>	(211)	44
<b>Operating netback</b>	<b>1,342</b>	3,614	(63)	<b>3,189</b>	9,569	(67)
Operating netback per boe	<b>14.74</b>	42.10	(65)	<b>11.89</b>	47.10	(75)
Total capital expenditures	<b>4,346</b>	9,169	(53)	<b>11,390</b>	14,866	23
Net income (loss)	<b>(1,645)</b>	665	(347)	<b>(7,912)</b>	1,341	(690)
Cash flow from (used in) operating activities per share:	<b>(0.01)</b>	0.08	(113)	<b>0.02</b>	0.12	(83)
Net income (loss) per share:	<b>(0.03)</b>	0.02	(250)	<b>(0.20)</b>	0.05	(500)
<b>Production Volumes</b>						
Crude oil (bbls/d)	<b>499</b>	515	(3)	<b>506</b>	418	21
Natural gas liquids (bbls/d)	<b>54</b>	36	50	<b>42</b>	32	31
Natural gas (mcf/d)	<b>2,624</b>	2,293	14	<b>2,612</b>	1,743	50
Combined (6:1) boe/d	<b>990</b>	933	6	<b>993</b>	741	34
Crude oil and liquids weighting (%)	<b>56</b>	59	(5)	<b>56</b>	61	(8)

### Review

Production in 2009 has remained stable with third quarter rates of 990 boe/d being marginally higher than second and first quarter rates of 987 boe/d and 972 boe/d, respectively. Production additions through capital and optimization programs have been offset by base production declines of 22% and approximately 160 boe/d of production curtailments. Based on current commodity strip pricing the majority of these curtailed volumes are scheduled to be placed back on production during the fourth quarter of 2009 and 2010.

In the third quarter the Company has continued to improve its cost structure and in 2009 it has successfully reduced its operating costs and general and administrative expenses on a per unit basis. As a result of its fourth quarter capital programs in Judy Creek and Battle Creek the Company is expected to continue to show improvements on its corporate operating costs as production from these oil resource plays commence production.

### Operations

Since its recapitalization in January 2008, Second Wave has focused on a strategy of building large contiguous land positions with oil resource potential where the Company has full control of the infrastructure and processing facilities. In response to lower commodity prices and resulting cash flows the Company has prudently reduced its debt levels with three separate financings

completed in 2009. With these financings completed and commodity prices strengthening the Company is well positioned to initiate development and exploration of its oil resource plays.

*Judy Creek:*

Since the end of the second quarter the Company has successfully drilled 4 (4.0 net) wells and signed a significant farm-in agreement in its Judy Creek core area. The four wells targeted the Pekisko G pool with 3 (3.0 net) wells being horizontal drilled into the pool and 1 (1.0 net) vertical well being drilled as a vertical stratigraphic test well.

In the fourth quarter the Company drilled and cored a vertical well in the Pekisko G pool at its 8-31 pad site. Core analysis has indicated that the Pekisko reservoir intersected in the 8-31 well bore had an average porosity of 9 percent and 26 meters of total pay. The net pay encountered was the thickest to date in the Pekisko G pool which was consistent with the Company's interpretation of its 3-D seismic data.

The Company has continued to optimize its Pekisko completion techniques using prior operational experience and the recently acquired core data. To improve well bore stability and to facilitate larger acid stimulation over the horizontal intervals, the Company has installed slotted liner systems in the open hole sections of the two new horizontal drills (7-32 and 5-31 drills) and its previously drilled 12-30 horizontal well. The 12-30 well was drilled and put on production in the third quarter prior to being stimulated and was subsequently shut in to facilitate the installation of the slotted liner system in November 2009.

The 5-31 horizontal well is the first of the three horizontal wells that have been completed, tested and put on production. During a seven day flow test to the Company's battery, the 5-31 horizontal well had an average test rate of 420 boe/d (40% oil) with a final flowing rate of 350 boe/d (45% oil). The Company expects the 5-31 well will be set up as a pumping oil well within the next couple of weeks. Stabilized production rates are expected to be 100-150 boe/d (60% oil) in 2-3 months time. The Company has currently scheduled its completion on the 12-30 horizontal well in early December with the 7-32 completion scheduled for early January. The completions have been scheduled to ensure that improvements in completion techniques can be implemented into each successive operation while allowing the Company to prudently manage its capacities.

The Company has commenced preparations for its 52 square kilometer (12,800 acres) 3-D seismic shoot with field work scheduled for the first week of December. In conjunction with its previously announced farm-in on 44,640 acres of mineral rights in Judy Creek the Company is developing a multi-year exploration and development program in Judy Creek targeting oil resource plays in the Pekisko and Mannville formations. Subsequent to the completion of its 3-D program in the first quarter of 2010 the Company will have 18,560 acres of proprietary 3-D seismic data and access to 66,400 acres of contiguous undeveloped land in Judy Creek.

*Battle Creek:*

Subsequent to the third quarter, Second Wave has drilled and completed 2 (2.0 net) horizontal oil wells and 1 (1.0 net) re-entry horizontal oil well in its 100% working interest Madison oil pool. The three wells are currently being production tested and the Company expects aggregate initial rates from the wells to be approximately 125 to 150 boe/d. Tie-in operations are underway and the Company expects to have all three wells tied in and on production by year end.

The Company received approval for its CO<sub>2</sub> injection pilot earlier in 2009 and has now begun to order all of the required long lead equipment. Construction of the pipeline, compression and measurement system is scheduled for early in the first quarter of 2010 with actual CO<sub>2</sub> injection expected by the end of the first quarter.

## Outlook

As a result of Second Wave's drilling activity in the fourth quarter the Company is expecting a 2009 exit production rate in the range of 1,300 to 1,400 boe/d (55% oil and natural gas liquids). The average production rate for the fourth quarter will not differ materially from the third quarter due to the late timing of the production additions.

Second Wave has moved forward with licensing and preparing to license its next 15 (15.0 net) horizontal oil wells in its core areas of Judy Creek and Battle Creek for its 2010 capital program. The Company is preparing to drill 7 (7.0 net) horizontal oil wells and 2.0 (2.0 net) vertical oil wells during the first half of 2010. The timing of these drills will be dependent upon commodity prices and corporate cash flows and as such these projects may be delayed if commodity prices weaken or drilling results do not meet expectations.

To view the Company's current Corporate Presentation, please visit the Second Wave website at [www.secondwavepetroleum.com](http://www.secondwavepetroleum.com).

### READER ADVISORIES

*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](http://www.sedar.com) and at [www.secondwavepetroleum.com](http://www.secondwavepetroleum.com).*

*Specific forward-looking statements contained in this news release include statements regarding: 2009 year-end exit rate production level and product mix; drilling plans in 2010, including the expected number of wells and timing; scheduled resumption of production that is currently curtailed; expected improvements in corporate operating costs; stabilized production rates expected for the 12-31 well at Judy Creek; scheduled timing of well completions on the 12-30 and 7-32 wells at Judy Creek; stabilized aggregate production rates expected for the three Battle Creek wells drilled subsequent to the end of the third quarter and the related expectation that such wells will be on production by year-end; and scheduled timing for the CO2 injection project at Battle Creek. Statements herein relating to "reserves" are also 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. 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.*

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*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.*

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