



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

TSX Venture Exchange: SCS
79,534,295 Common Shares

Second Wave Petroleum Announces Closing of \$27 Million Bought Deal Equity Financing and Update on Frac Results in Judy Creek

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CALGARY, July 20, 2010 - Second Wave Petroleum Inc. ("Second Wave" or the "Company") is pleased to announce that it has closed its previously announced bought deal equity financing with a syndicate of underwriters co-led by Wellington West Capital Markets Inc. and GMP Securities L.P. and including Desjardins Securities Inc., Clarus Securities Inc., Acumen Capital Finance Partners Limited and CIBC World Markets Inc. Pursuant to the offering, the Company issued 6,670,000 common shares at a price of \$3.00 per common share and 2,000,000 flow through common shares at a price of \$3.55 per flow through share for aggregate gross proceeds of \$27,110,000.

Second Wave intends to use the net proceeds of the offering to fund its Pekisko oil resource development and its Beaverhill Lake exploration programs in Judy Creek, Alberta and for general corporate purposes.

Judy Creek Operations Update

On July 7, 2010 the Company completed a ten-stage acid fracture stimulation on its 01-03-064-09W5 (100% W.I.) Pekisko horizontal oil well. After a nine day production test period the final production rate was 170 boe/d (75% oil) with both the oil and gas rates continuing to increase over the test period. Each of the ten stages was 60m³ in size for an aggregate of 600m³ of acid being placed during the operation. The Company has also successfully completed its 04-04-064-09W5 (100% W.I.) Pekisko horizontal oil well on July 19, 2010 with a twelve-stage acid fracture stimulation. Each of the twelve stages was 60 m³ in size for an aggregate of 720 m³ of acid being placed during the operation. The 04-04 well is currently being set-up for production testing however the Company expects that the well will perform at similar production levels to the 01-03 well. The test period on the 01-03 well was truncated after the ninth day to facilitate the 04-

04-064-09W5 frac operation which occurred on the same lease. Production rates from the 01-03 well when compared over the same time period after the fracturing operation exceeded the production rates seen at the 01-05-064-09W5 well which was the Company's first long leg horizontal Pekisko well completed in May 2010 using multi-stage acid fracturing technology. The Company currently has two drilling rigs operating in Judy Creek with expectations to drill, complete and tie-in 2-3 horizontal oil wells per month in the third quarter (6 to 9 net wells in total).

Taking into consideration its continued drilling success in Judy Creek and the closing of its recent financing the Company will be in a position to provide an expanded capital budget and updated guidance at the end of August in conjunction with the release of its second quarter financial results.

READER ADVISORIES

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.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to or for the account or benefit of a U.S. person absent registration or an applicable exemption from the registration requirements of such Act or laws.

Barrels of Oil Equivalent (BOEs). The term BOE refers to barrel of oil equivalent, with natural gas converted to crude oil equivalent at a ratio of six thousand cubic feet to one barrel. 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 anticipated use of the net proceeds of the \$27 million equity offering, expectations with respect to relative performance of the 04-04 Pekisko horizontal well at Judy Creek versus the Company's 01-03 well, and drilling, completion and tie-in plans during the third quarter of 2010. 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 associated services; 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. Although Second Wave currently expects that the net proceeds of the equity offering described in this news release will be used for the purposes stated, the directors and management of the Company may later determine to expend the funds on different projects or for other purposes.

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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