



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

TSX Venture Exchange: SCS
82,899,295 Common Shares

Second Wave Petroleum Reports Financial and Operating Results for the Three Months Ended September 30, 2010

CALGARY, ALBERTA – November 29, 2010. Second Wave Petroleum Inc. ("Second Wave" or the "Company") is pleased to announce its financial and operating results for the three months ended September 30, 2010. Second Wave's interim financial statements for the three and nine months ended September 30, 2010 and related 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.

Highlights

- Increased production rates in the third quarter of 2010 by 47% from the third quarter of 2009 to an average of 1,460 boe/d, with an oil and natural gas liquids (NGLs) weighting of 62%. Production increased 3% from the second quarter of 2010 with the average monthly production rate increasing to 1,725 boe/d in September 2010.
- Successfully drilled seven (7.0 net) wells for production in the third quarter with only two (2.0 net) wells being tied in during the quarter due to timing issues related to wet weather and service delays.
- Continued to optimize its first three (3.0 net) long leg Pekisko multi-stage acid fracture stimulated wells with an average production rate per well of approximately 90 boe/d after 145 days, representing a two-fold increase relative to the average well in the pool completed using an acid squeeze.
- Further delineated the Pekisko G pool by drilling six (6.0 net) wells in the third quarter and three (3.0 net) additional wells in the fourth quarter, substantially extending the estimated pool boundaries.
- Increased bank credit facility to \$40 million from \$30 million after successful review of revolving demand facility. The Company had \$19.9 million of net debt at the end of the third quarter.

- Obtained approval from the Toronto Stock Exchange (TSX) for the listing of the Company's common shares, which are expected to commence trading on TSX on or about December 1, 2010 and thereupon no longer trade on the TSX Venture Exchange. The trading symbol will continue to be "SCS".
- Closed a \$27.1 million bought deal financing comprised of 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 \$27.1 million.

Selected Quarterly Financial Information

| (\$000s, except share and per boe amounts) | Three months ended September 30, | | | Three months ended June 30, | |
|---|----------------------------------|---------|----------|-----------------------------|------------|
| | 2010 | 2009 | % Change | 2010 | % Change * |
| Per boe | | | | | |
| Petroleum and natural gas sales | 47.71 | 43.99 | 8 | 49.80 | (4) |
| Royalties | (5.12) | (3.75) | 37 | (6.43) | (20) |
| Lease operating costs | (18.89) | (24.42) | (23) | (17.75) | 6 |
| Transportation | (1.26) | (1.08) | 18 | (1.48) | (15) |
| Operating netback | 22.44 | 14.74 | 52 | 24.14 | (7) |
| Net capital expenditures | 26,725 | 3,846 | 595 | 15,548 | 72 |
| Net debt (excluding ARO) | 19,919 | 22,414 | (11) | 24,103 | (17) |
| Cash flow from operating activities | 2,377 | (547) | 535 | 3,472 | (31) |
| Cash flow from operating activities per share | 0.03 | (0.01) | 400 | 0.05 | (40) |
| Net loss | (2,746) | (1,645) | 67 | (1,578) | 74 |
| Net loss per share | (0.03) | (0.03) | - | (0.02) | 50 |
| Production volumes | | | | | |
| Oil (bbl/d) | 845 | 499 | 69 | 898 | (6) |
| Natural gas liquids (bbl/d) | 57 | 54 | 6 | 45 | 27 |
| Natural gas (mcf/d) | 3,351 | 2,624 | 28 | 2,845 | 18 |
| Combined (6:1) | 1,460 | 990 | 47 | 1,417 | 3 |
| Crude oil and liquids weighting (%) | 62 | 56 | 11 | 67 | (7) |

Overview

Second Wave had an active quarter with a total of ten (9.3 net) wells drilled, of which nine (9.0 net) wells were drilled in its Judy Creek core area. Eight (8.0 net) of the Judy Creek wells were cased successfully, comprised of five (5.0 net) Pekisko oil wells (four horizontals, one vertical), one (1.0 net) liquids rich Gilwood natural gas well, one (1.0 net) horizontal salt water disposal well and one (1.0 net) Ellerslie horizontal oil well. Due to weather delays only one Pekisko

horizontal oil well and the Ellerslie horizontal oil well were tied in during the third quarter with the remaining six (6.0 net) third quarter wells including the salt water disposal well scheduled to be tied in during the fourth quarter. To initiate production from its Pekisko delineation wells the Company began constructing its Judy Creek south west pipeline system in the third quarter, although start-up of the system was similarly delayed until the fourth quarter due to wet weather. Construction of the first phase of its south west Judy Creek pipeline system has now been completed.

Production in the third quarter averaged 1,460 boe/d (62% oil and NGLs) which was relatively static to the second quarter average of 1,417 boe/d (67% oil and NGLs) as production additions related to the third quarter capital program were delayed until the fourth quarter. Exiting the third quarter the Company achieved a monthly production average of 1,725 boe/d in September 2010.

The Company's capital program for the third quarter totaled \$26.7 million resulting in net debt at the end of the third quarter of \$19.9 million. Subsequent to the quarter end the Company completed a review of its revolving demand credit facilities with its lender, which resulted in an increase to its borrowing capacity from \$30.0 million to \$40.0 million. The credit facilities are subject to review prior to renewal on or before April 30, 2011.

Operational Update

Second Wave remains focused on developing its 100% working interest Judy Creek Pekisko oil resource play.

The Company has worked on defining a prospective drilling inventory that could exceed 600 net horizontal oil well drilling locations by continuing to delineate the Judy Creek Pekisko pool through its drilling and seismic programs. A number of milestones were achieved in the second half of 2010, including the first horizontal Pekisko oil well on the Company's south west land block which extended the estimated pool production boundary ten kilometers from its existing production base. An additional five (5.0 net) horizontal wells have been successfully drilled on this land block so far in the fourth quarter.

Through the second half of 2010 the Company has continued to refine its primary production techniques and transition to multi-stage acid fracture completions on its horizontal Pekisko oil wells. To date in 2010, the Company has completed eleven (11.0 net) horizontal Pekisko wells utilizing this technique with achieved production rates that are two to three times higher than off-setting wells that had been completed using acid squeeze techniques.

In addition to improvements focused on increasing the primary recovery factor of the Judy Creek Pekisko pool, Second Wave has initiated three separate waterflood pilot projects, which are expected to be on-line by the end of the fourth quarter, in an effort to define an incremental recovery factor and the associated economics of a full waterflood. Additional work is continuing to evaluate the potential of using tertiary recovery methods such as a solvent flood to further increase ultimate recovery factors.

Following are some of the milestones achieved by Second Wave in the third and fourth quarters on its Judy Creek Pekisko oil resource play.

Judy Creek Pekisko Delineation Update

- The Company drilled, cored and completed the 100/01-03-063-10W5 well, which extended the estimated Pekisko pool boundary by ten kilometers to the south west and intersected 21 meters of Pekisko pay in the well with an average porosity of approximately 9% and oil saturations exceeding 70%. Including the three cores that the Company has drilled in 2010, there are currently six cores equal spaced within the pool boundary on Second Wave's land base exhibiting similar net pays, porosities and oil saturations to the core extracted from the 01-03 well.
- Second Wave initiated its next 3-D seismic shoot of an additional 64 km² (25 miles²) with field activities scheduled to occur in January 2011. Based on internal mapping Second Wave believes that the Judy Creek Pekisko pool has an aerial extent of 170 km² (70 miles²), of which 95% is controlled by the Company at a 100% working interest. Upon completion of this 3-D shoot the Company will have approximately 152 km² (54 miles²) of proprietary 3-D seismic covering approximately 75% of the Judy Creek Pekisko pool as internally mapped. In addition to its proprietary 3-D seismic database the Company owns approximately 275 kilometers (170 miles) of trade 2-D seismic in Judy Creek.
- As of November 28, 2010, including Second Wave's own wells there are an aggregate of 34 vertical wells and 19 horizontal wells within the Judy Creek Pekisko pool that the Company has used as data points to supplement its seismic and geological mapping of the pool.

Judy Creek Pekisko Completion Update

- The Company's first three (3.0 net) long leg horizontal Pekisko wells that were fracture stimulated using multi-stage acid fracture techniques are currently producing at an average rate of approximately 90 boe/d after being on production for 145 days, representing a two-fold increase relative to the average well in the pool completed using an acid squeeze and a three-fold increase relative to the directly off-setting horizontal wells completed using acid squeezes.
- In the fourth quarter the Company stimulated an additional six (6.0 net) Pekisko horizontal oil wells using multi-stage acid fracture stimulation. Although it typically takes 30 to 90 days for the wells to clean up post completion, all of the six (6.0 net) wells have exhibited similar initial production characteristics to the first three fracture stimulated wells noted above.
- The Company continues to work on optimizing its frac techniques to improve capital efficiencies with variances in acid strength, stage volume and frac density being implemented and analyzed over the second half of 2010.

Judy Creek Enhanced Oil Recovery Update

- In the third quarter the Company completed a waterflood study using the Pekisko core extracted from its 100/08-31-063-09W5 well. A recovery factor of 47% was achieved by

flooding the oil saturated core with water during the study. Although these studies are typically optimistic in nature the results substantiated the Company's decision to further evaluate the economics of a secondary recovery through a pilot waterflood. The Company has since received regulatory approval for three separate pilot floods in the Judy Creek Pekisko pool with all three pilots scheduled to be on line by the end of the fourth quarter.

Outlook

Second Wave has continued its momentum in Judy Creek into the fourth quarter, highlighted by completing the first pipeline system in its south land block which will facilitate the development of the southern portion of the Judy Creek Pekisko oil pool. The Company also initiated construction on its first pipeline to its south east land block to tie-in its liquids rich Gilwood natural gas well at 03-14-063-09W, which was drilled in the third quarter, and its 05-14-063-09W5 Pekisko horizontal delineation well, which was subsequently drilled in the fourth quarter. The 05-14 Pekisko well will be tested in-line once the pipeline is completed and, if successful, will represent an approximately five kilometer delineation to the south east boundary of the Pekisko G pool.

In the fourth quarter the Company expects to drill four (4.0 net) horizontal Pekisko oil wells and two (2.0 net) vertical oil wells in Judy Creek. Including wells drilled in the third quarter the Company plans to bring on production seven (7.0 net) horizontal Pekisko oil wells, three (3.0 net) vertical oil wells and its 03-14 Gilwood gas well in the fourth quarter. As of November 29, 2010 the Company has initiated production from four of the seven Pekisko horizontal oil wells with three additional horizontals and the 03-14 Gilwood gas well awaiting tie-in. The three (3.0 net) remaining vertical oil wells are scheduled to be drilled, completed and on production by year end.

The Company expects to give additional capital and production guidance in the first quarter of 2011 after its 2010 capital program has been fully completed. As noted above Second Wave has several wells to bring on production in the fourth quarter, including seven (7.0 net) Pekisko horizontal oil wells and its 100% working interest 03-14 Gilwood gas discovery that was tested in the third quarter at net production rates of 590 boe/d. The Company remains well positioned to meet its previous exit production guidance of 2,800 boe/d on the assumption that its seven horizontal oil wells tied in during the fourth quarter produce at similar rates and declines to its previous drills and its 03-14 Gilwood pipeline comes on line as per expectations in early December. The Company will continue to have an active Pekisko drilling program into 2011 and looks forward to reporting its continued progress in the New Year.

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***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: drilling, completion and tie-in plans generally for the remainder of 2010 and into 2011 (including the number of wells expected to be brought on production before year end); the timing for bringing the Company's waterflood pilot projects on-line; the Company's plans to shoot additional 3-D seismic in January 2011; and the 2010 year end production rate. 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.

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.