



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

TSX: SCS
82,899,295 Common Shares

Second Wave Petroleum Announces Filing of Second Quarter Financial Results

CALGARY, August 15 - Second Wave Petroleum Inc. (TSX: SCS) ("Second Wave" or the "Company") pleased to announce the filing of its interim financial statements and management's discussion and analysis ("MD&A") for the quarter ended June 30, 2011, which have been filed on SEDAR at www.sedar.com and are also available on the Company's website at www.secondwavepetroleum.com.

Second Quarter Highlights

- Production increased to 1,650 boe/d (60% oil and natural gas liquids) representing a 16% year-over-year and a 28% increase quarter-over-quarter when adjusted for the Company's non-core disposition of 400 boe/d in the first quarter of 2011 (237 boe/d net impact quarter over quarter).
- Operating netbacks increased by 37% from the second quarter of 2010 to \$32.62 per boe. Revenue from operating activities increased 23% year-over-year and 40% quarter-over-quarter to \$9.0 million.
- Completed our first Beaverhill Lake horizontal oil well at 15-36-063-10W5 under the terms of the Company's previously announced joint venture agreement with Crescent Point Energy Corp. During the first seven and fifteen days of testing the 15-36 well flowed at average gross rates of 2,145 boe/d (86% light oil) and 1,825 boe/d (84% light oil), respectively. Current production after 160 days is 250 boe/d (90% light oil).
- Obtained Judy Creek Pekisko Resource Assessment, effective April 30, 2011, with third party estimates of Total and Recoverable Petroleum Initially in Place in the Pekisko formation under Second Wave's 100% working interest lands at Judy Creek as described in the Company's news release dated May 17, 2011.

- Subsequent to the quarter-end, completed the 01-28-063-09W5 (40% working interest) and 16-13-063-10W5 (40% working interest) joint venture Beaverhill Lake horizontal oil wells with initial gross rates of 1,300 boe/d (nine day test) and 1,700 boe/d (five day test), respectively.

Selected Second Quarter Financial Information

(\$000s, except share and per boe amounts)	Three months ended June 30,			Three months ended March 31,	
	2011	2010	% Change	2011	% Change *
Petroleum and natural gas sales	8,962	6,423	40	6,342	41
Royalties	(590)	(829)	(46)	(657)	(10)
Lease operating costs	(3,041)	(2,322)	31	(3,193)	5
Transportation	(435)	(191)	128	(228)	91
Operating netback	4,896	3,081	59	2,263	(116)
Operating netback per boe	32.62	23.89	37	17.68	84
Net capital expenditures	9,188	15,856	(42)	1,275	621
Net Income (loss)	1,734	(398)	-	(2,495)	-
Cash flow from operating activities per share	0.03	0.05	(40)	-	-
Net income (loss) per share	0.02	(0.01)	-	(0.03)	-
Production volumes					
Oil (bbl/d)	853	898	(5)	789	18
Natural gas liquids (bbl/d)	127	45	104	110	38
Natural gas (mcf/d)	4,016	2,845	41	3,641	10
Combined (boe/d) (6:1)	1,650	1,417	16	1,423	16
Crude oil and liquids weighting (%)	60	67	(10)	57	5

* Percentage change from Q1, 2011 to Q2, 2011

Operations Update

Operations during the second quarter of 2011 were affected by abnormal weather conditions and third party pipeline shut-ins. Extreme wet weather in Western Canada in the second quarter caused limited ground access to the Company's south western Saskatchewan and south Judy Creek Ellerslie oil properties, which resulted in substantial curtailments in production from these properties. Third party pipeline outages caused additional production outages at Second Wave's Judy Creek property and significant increases in transportation costs. In addition, the Company had a prior period production adjustment related to re-commencing its operations in Judy Creek in the first quarter that negatively impacted its second quarter production volumes by 3%.

Production and operational costs were negatively impacted by approximately 13% due to these non-forecasted items.

Judy Creek Beaverhill Lake Light Oil Play

Pursuant to its previously announced Beaverhill Lake joint venture agreement with Crescent Point Energy Corp., the Company has now drilled its first six (2.4 net) Beaverhill Lake horizontal oil wells in 2011. Four out of the six wells have been completed and commenced production with three out of four wells producing at initial 30-day rates that exceed the Company's internal type curve expectations of 295 boe/d by approximately 100%.

As per the terms of its joint venture agreement Second Wave will pay 15% of the drilling and completion capital costs on all earning wells to retain a 40% working interest in the wells and the associated 3,840 acre earning land blocks. The joint venture agreement provides for up to 13 earning wells to be drilled. In Judy Creek the Company currently has 50,000 gross acres of Beaverhill Lake mineral rights within the area covered by the joint venture agreement. The Company also holds or has an option on an additional 10,300 acres of Beaverhill Lake mineral rights in Judy Creek at a 100% working interest outside of the joint venture agreement area.

The Company and its partner have elected locations for the 13 earning wells to fully delineate the Beaverhill Lake formation on the joint venture land block. The results to date have exceeded management's expectations and have laid the foundation for a significant developmental drilling program. The Company estimates that drilling activities to date have successfully delineated approximately 20 gross sections of reservoir (8 net) representing an unrisksed drill ready inventory of 80 (32 net) horizontal light oil well drilling locations, on the basis of 4 horizontal wells per section. Once all 13 earning wells are drilled and completed the Company will control 48 net sections of Beaverhill Lake mineral rights in Judy Creek representing an unrisksed potential drilling inventory of 144 to 192 well drilling locations assuming three to four horizontal wells per section. The Company had no Beaverhill Lake reserves booked at year end 2010.

The Company has licensed or initiated the licensing of its first 27 gross (10.8 net) Beaverhill Lake horizontal oil wells in Judy Creek and is currently operating three drilling rigs in the area. Completion activities have been pre-booked with one multi-stage acid fracture stimulation scheduled to be completed approximately every ten days though the third and fourth quarters of 2011. The Company anticipates providing additional information on the progress of its Beaverhill Lake drilling program later in the third quarter.

Judy Creek Pekisko Medium Oil Play

The Company has made significant strides with its Judy Creek Pekisko medium grade oil play in 2011. During the second quarter, the Company obtained a third party resource assessment on its Judy Creek Pekisko pool with estimates of Total and Recoverable Petroleum Initially in Place in the Pekisko formation under Second Wave's 100% working interest lands at Judy Creek. The Company previously announced the resource assessment findings on May 17, 2011.

The Company is currently planning to recommence its Pekisko drilling program in the fourth quarter of 2011. To date one (1.0 net) well has been drilled in 2011 and is awaiting completion. The Company expects that all Pekisko wells that may be drilled in 2011 through 2013 can be drilled off of existing producing pads or new Beaverhill Lake drilling pads, which should facilitate reduced cycle times and lower capital costs per well than what had previously been incurred.

The Company had eight (8.0 net) Pekisko horizontal oil wells at year end 2010 with less than 30 days of production prior to the Judy Creek gas plant outage commencing in December 2010. These eight (8.0 net) wells have continued to meet management's expectations with aggregate production rates from the wells increasing since the start up of the Company's gas plant in February. Production from all eight wells is currently limited by surface pumping capacity and the Company continues to monitor the performance of the wells to evaluate the feasibility of optimization alternatives.

Outlook

The Company has three drilling rigs operating in Judy Creek and expects to drill an additional 12 (4.8 net) Beaverhill Lake horizontal oil wells in the second half of 2011. The Company anticipates providing further guidance on its operational activities in the third quarter as its drilling program progresses.

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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: royalties payable in respect of production from the Company's first four Beaverhill Lake horizontal oil wells at Judy Creek; the application of Maximum Rate Limitation (MRL) production restrictions to the Beaverhill Lake wells; the possibility of partial removal of MRL restrictions in early 2012 if a waterflood in the Beaverhill Lake formation is approved; the number of additional Beaverhill Lake horizontal oil wells expected to be drilled in 2011; the means by which the Company expects to fund the drilling of such additional wells; and the 30-day initial production rate and pay-out horizon contemplated by the Company's internal Beaverhill Lake type curves. 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.

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