



Second Wave Petroleum Inc.

News Release

For Immediate Release
Calgary, Alberta

TSX: SCS
83,012,629 Common Shares

Second Wave Petroleum Announces Continued Beaverhill Lake Drilling Success, Increased Credit Facility and Filing of 2011 Third Quarter Financial Results

CALGARY, November 14 - Second Wave Petroleum Inc. (TSX: SCS) ("Second Wave" or the "Company") continued Beaverhill Lake drilling success, an increased credit facility and the filing of its interim financial statements and management's discussion and analysis ("MD&A") for the quarter ended September 30, 2011, which have been filed on SEDAR at and are also available on the Company's website at www.secondwavepetroleum.com.

Third Quarter Highlights

- Increased Beaverhill Lake light oil production in Judy Creek by 183% quarter-over-quarter to an average rate of 494 boe/d (90% light oil) from 176 boe/d (100% light oil). The Company's net Beaverhill Lake production for the month of October increased to a field estimated average rate of 1,390 boe/d (96% oil and NGLs).
- Successfully drilled and completed six gross (3.0 net) Beaverhill Lake horizontal light oil wells in Judy Creek in the third quarter and an additional four gross (2.2 net) Beaverhill Lake horizontal light oil wells subsequent to the quarter-end. Average 30-day gross light oil production rates for first nine fully tested Beaverhill Lake wells to date have exceeded 650 bbl/d.
- Increased the Company's credit facilities to \$80 million subsequent to the quarter-end based on recent Beaverhill Lake drilling success in Judy Creek.
- Average October monthly production estimated at approximately 2,225 boe/d (79% oil and NGLs) as additional Beaverhill Lake volumes came on production in the fourth quarter. Approximately 400 boe/d of net Pekisko emulsion and Beaverhill Lake gas production was shut-in during the month of October due to Maximum Rate Limitations (MRL's) and gas compression capacities, resulting in an October production capacity of 2,625 boe/d.

Selected Third Quarter Financial Information

(\$000s, except share and per boe amounts)	Three months ended September 30,			Three months ended June 30,	
	2011	2010	% Change	2011	% Change *
Petroleum and natural gas sales	7,935	6,410	24	8,962	(11)
Royalties	(526)	(688)	(24)	(590)	(11)
Lease operating costs	(3,521)	(2,579)	37	(3,041)	16
Transportation	(380)	(169)	125	(435)	(13)
Operating netback	3,508	2,974	18	4,896	(28)
Operating netback per boe	25.94	22.14	17	32.62	(20)
Net capital expenditures	23,244	27,106	(14)	9,188	153
Net Income (loss)	899	(99)	-	1,734	(48)
Cash flow from operating activities per share	0.06	0.04	50	0.03	50
Net income (loss) per share	0.01	(0.00)	-	0.02	(50)
Production volumes					
Oil (bbl/d)	870	845	3	853	2
Natural gas liquids (bbl/d)	101	57	77	127	(20)
Natural gas (mcf/d)	2,992	3,351	(11)	4,016	(25)
Combined (boe/d) (6:1)	1,470	1,460	1	1,650	(11)
Crude oil and liquids weighting (%)	66	62	6	60	10

* Percentage change from Q2, 2011 to Q3, 2011

Third Quarter Review

Total production in the third quarter averaged 1,470 boe/d (66% oil and NGLs) as volumes were negatively impacted by curtailments on the Company's Pekisko production and general delays in its Beaverhill Lake completion schedule due to high industry activity levels and feed stock acid shortages.

The Company's Beaverhill Lake production in Judy Creek increased quarter-over-quarter to an average rate of 494 boe/d net (90% light oil) in the third quarter from 176 boe/d net (100% light oil) in the second quarter. Beaverhill Lake monthly net production rates rose to 678 boe/d (80% oil and NGLs) in September and further increased to 1,390 boe/d (96% oil and NGLs) in October.

Gross light oil test rates on the Company's 2011 Beaverhill Lake wells are noted in the table below.

Location	Working Interest	Status	Initial 30 Day Oil Production Rate (bbl/d)	Initial Production Date	Current Gross Oil Rate as of Nov. 14, 2011 (bbl/d)	Cumulative Production (bbl)
100/15-36-063-10W5	40%	Pumping	1,080	3/3/2011	230	66,000
100/08-14-063-09W5	40%	Pumping	30	7/3/2011	20	5,000
100/01-28-063-09W5	40%	Pumping	444	7/22/2011	100	23,000
100/16-13-063-10W5	40%	Pumping	400	8/3/2011	160	20,000
102/01-05-064-09W5	40%	Pumping	650	8/12/2011	290	33,000
100/04-06-064-09W5	40%	Pumpng	990	8/23/2011	210	37,000
100/12-16-063-09W5	40%	Pumping	350	9/9/2011	160	15,000
100/13-16-064-09W5	100%	Pumping	210	9/29/2011	120	10,000
100/13-25-063-10W5	40%	Flowing	1,800	10/7/2011	1,000	60,000
100/08-23-062-10W5	100%	Testing	na	10/30/2011	na	na
100/05-13-063-10W5	40%	Completing	na	11/14/2011	na	na
100/10-05-063-09W5	40%	Completing	na	Na	na	na
100/03-36-063-10W5	40%	Standing	na	est 30/11/2011	na	na
100/13-35-063-10W5	40%	Standing	na	est 7/12/2011	na	na
100/01-25-063-10W5	40%	Standing	na	est 21/12/2011	na	na

* Production data estimated as of November 14, 2011

High third quarter activity levels in the Judy Creek and Swan Hills Beaverhill Lake plays have resulted in increased localized demand for processing services to treat Beaverhill Lake emulsions. The Company has seen treating fees and the associated trucking rates to certain third party processing facilities increase as a result of the significant new volumes being delivered. In addition, during the third quarter a portion of the initial flow back oil post-completion from each of the Company's wells was downgraded by certain third party processors and given "waste-oil" pricing, which dropped the Company's gross sales price on that oil by approximately \$25.00 - \$27.00/bbl. This quality cut is estimated to have lowered the Company's quarterly average sales price in the range of \$5.00 - \$6.00/bbl. The Company sees this as a short term issue as it has moved forward with the required facility projects to significantly reduce the amount of future Beaverhill Lake emulsion volumes that are processed by third parties.

To address the above noted Beaverhill Lake emulsion treating and trucking issues the Company initiated construction of three separate Beaverhill Lake group batteries and a central tank treating facility in Judy Creek to process its existing and future Judy Creek Beaverhill Lake emulsion volumes. Construction on these facilities was started in the third quarter and Second Wave expects it will be able to process all of its Beaverhill Lake emulsion to pipeline quality at its own facilities by the end of the fourth quarter which will reduce future trucking and treating costs and potential opportunistic pricing downgrades. The Company is also moving ahead to connect its Beaverhill Lake and Pekisko oil batteries to existing sales pipeline infrastructure in Judy Creek, which should further improve future operating efficiencies after the 18 to 24 months expected to complete the project.

The Company realized operating netbacks of \$54.13 per boe on its Judy Creek Beaverhill Lake production in the third quarter on realized gross sales prices, operating costs and royalties of \$74.76 per boe, \$14.93 per boe and \$5.70 per boe, respectively. The Company expects to improve its Beaverhill Lake operating cost structure in 2011 and 2012 upon completion of the above-noted infrastructure improvements.

The Company saw its Beaverhill Lake completion schedule delayed in the third quarter due to industry activity levels and a short-term shortage of the acid used in stimulation operations, and as a result was unable to meet its budgeted number and scheduled timing of Beaverhill Lake completions for the quarter. Exiting the quarter the Company had two (1.4 net) Beaverhill Lake wells standing awaiting completions. Quarterly average production rates were also negatively impacted by delays in the completion program. The Company has completed five (3.2 net) Beaverhill Lake fracture stimulations since September 29, 2011 and is effectively caught up on its budgeted completion timing.

The Company's Judy Creek Pekisko production in the third quarter was negatively impacted by approximately 250 boe/d as seven (7.0 net) higher rate Pekisko horizontal oil wells outside of Second Wave's approved waterflood area in Judy Creek were shut in for a significant period to retire over production penalty volumes due to Maximum Rate Limitations (MRLs). These MRLs came into effect at the end of the second quarter on the parts of the Judy Creek Pekisko oil pool that are not currently within the Company's approved waterflood area.

Subsequent to the end of the third quarter the Company received approval for and implemented an expanded waterflood in the Judy Creek Pekisko oil pool, which will reduce the number of wells subject to MRLs from seven to four on a point forward basis.

In the third quarter the Company incurred significant costs associated with unplanned work overs and other unplanned operational activities in its non-cores areas. Non-core production, which does not include the Company's Beaverhill Lake or Pekisko volumes, totaled approximately 330 boe/d (59% oil and NGLs) in the third quarter on operating costs and netbacks for the quarter of \$39.20 per boe and \$10.20 per boe, respectively. Although operating metrics on these non-core properties are expected to improve in the fourth quarter, the future impact on the overall corporate performance will not be material as budgeted production volumes from these non-core properties are expected to represent approximately 10% and 5% of the Company's budgeted 2011 and 2012 corporate exiting production rates, respectively.

Outlook and 2012 Budget

Following a borrowing base review subsequent to quarter-end the Company's revolving credit facility was increased to \$80 million based on continued drilling success on its Judy Creek Beaverhill Lake light oil play. The next review is scheduled for May 31, 2012.

The Company's board of directors has approved a 2012 capital budget of \$85 million in net capital expenditures, all in its Judy Creek core area. For 2012, the Company is planning to drill, complete and bring on production 39.0 (15.6 net) Beaverhill Lake light oil horizontal wells at budgeted capital costs and initial 30-day production rates of \$5.2 million and 290 bbl/d, respectively. The Company will regularly review its capital program with a view to directing capital to its most efficient projects, and as such the exact 2012 well count for each oil play in Judy Creek may change as results and other circumstances dictate.

Based on the above-noted capital activities the Company is forecasting average production rates in 2012 of 3,850 boe/d (80% oil and NGLs) and field level cash flow of approximately \$80 million. Exiting 2012 production rate and forward-looking annualized cash flow is forecast at 5,000 boe/d and approximately \$95 million, respectively. Based on an expected 2011 exiting production rate of 3,000 boe/d (80% oil and NGLs), the Company's capital program in 2012 is forecast to provide year-over-year production growth exceeding 50% on a per share basis.

For capital budgeting purposes the Company has assumed average oil and gas prices in 2012 of \$90.00 US per bbl WTI and \$3.80 Cdn. per MMBTU, respectively.

To accommodate its growth in 2012 the Company has re-located its corporate office in Calgary to Bow Valley Square 1, Suite 1400, 202-6th Ave SW, T2P 2R9.

Second Wave continues to focus its capital activities solely its Judy Creek core area with an unrisks drilling inventory exceeding fifteen years at current activity levels in its Beaverhill Lake light oil play and its Pekisko medium grade oil play. The Company currently has three active drilling rigs on its Beaverhill Lake light oil play as it focuses on its most capital efficient projects and looks to provide a further operational update later in the fourth quarter as further results become available.

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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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