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Second Wave Petroleum Inc.

News Release

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

**TSX Venture Exchange: SCS**  
**70,835,961 Common Shares**

## **Second Wave Reports Preliminary Results of Battle Creek CO(2) Pilot Flood and Farm-Out Agreement for Tableland**

CALGARY, June 16, 2010 - Second Wave Petroleum Inc. ("Second Wave" or the "Company") is pleased to announce the preliminary results from its Battle Creek, Saskatchewan CO(2) pilot flood and the successful farm out of its Tableland, Saskatchewan exploration acreage.

### **Highlights**

- Battle Creek CO(2) Flood Stage One has to date resulted in a production increase within the pilot area from 48 bbl/d of oil to 200 bbl/d. Total field production has increased to 220 bbl/d over a 60 day period.
- Full CO(2) flood initiated in Battle Creek with Stage Two CO(2) injection scheduled to occur in second half of 2010.
- Successful farm out of Tableland acreage adds potential for 0.8 net horizontal Sanish wells being drilled by year end at no cost to Second Wave.
- The Battle Creek and Tableland activities represent positive upside outside of Second Wave's Pekisko oil resource play in Judy Creek, north west Alberta. The Company has initiated its post break-up drilling program in Judy Creek and expects to be in a position to report on results of recent drilling and fracturing activities at Judy Creek in late June.

### **Battle Creek**

The Company's 100% working interest Madison oil reservoir in Battle Creek south west Saskatchewan is a porous carbonate formation containing heavy oil (11 degrees API) and associated solution gas. In Battle Creek the Company also owns a 100% working interest in a gas reservoir in the Duperow formation which produces high rates of natural gas with a CO(2) concentration of 84%. The Company has an extensive data site over the area with proprietary 3D seismic data covering both of the above noted pools and information from 21 wells drilled and tested in the Madison oil reservoir to date and 4 wells drilled and tested in the Duperow reservoir.

Production from the Battle Creek Madison oil pool was initiated in 1995 with a maximum production rate of 547 bbl/d of oil in 2004 from 15 producing well bores. Production from the Madison formation is typically characterized by high water cuts as the produced oil has a substantial higher viscosity, meaning less ability to flow, than the

formation water at reservoir temperatures and pressures. The Battle Creek Madison pool had an average annual production rate of 30 bbl/d of oil in 2009 prior to the initiation of the CO(2) pilot flood.

In late 2009 the Company applied for and received approval to initiate an immiscible CO(2) pilot flood in the Madison formation whereby the CO(2) gas from the Duperow formation would be used to flood the pool. Technical data has implied that if successful this type of enhanced oil recovery scheme would reduce the viscosity of the reservoir oil in the formation which in turn could substantially improve oil production rates and recovery factors. The Company is not aware of any other immiscible CO(2) flood utilizing a natural source of CO(2) in Western Canada at this time.

The Company initiated its pilot CO(2) flood in the first quarter of 2010 with the pilot area containing one CO(2) injection well surrounded by 4 producing wells. As part of the pilot project, three suspended wells were reactivated and pool oil production was increased to 66 bbl/d from the 2009 average of 30 bbl/d. Production from the four producing wells within the pilot area was 48 bbl/d prior to the initiation of CO(2) injection. To date the Company has injected 1,000 tonnes of CO(2) within the pilot area with the first pressure response seen in early May of 2010. Since CO(2) injection was initiated, the production within the pilot area has increased from 48 bbl/d to 200 bbl/d of oil with the total pool production now at 220 bbl/d of oil. Since existing well bores and infrastructure were utilized for the pilot, the first phase has involved total capital expenditures of only \$1.3 million to date. As the CO(2) gas is naturally produced there have been no costs to date associated with the procurement of CO(2) for this project. If production rates continue at current levels, payout on this project will be reached in approximately 175 days.

The Company remains cautiously optimistic on the results to date as this project is the only immiscible heavy oil CO(2) flood in Western Canada and therefore there is no true analog to measure these early results against.

Based on the results to date on this project the Company is moving ahead with the second and third stage which will involve setting up two additional pilot areas for CO(2) injection. Costs are expected to be lower for each subsequent injection phase as existing infrastructure will be utilized. The Company believes that it has substantially more CO(2) gas in the Duperow formation than what is required to fully flood its Madison oil pool in Battle Creek.

Although the reservoir characteristics appear geologically similar for all three stages there can be no certainty that these two additional pilot areas will have the same level of success seen in the first pilot. CO(2) injection in the second stage is scheduled to occur early in the third quarter with injection in the third stage scheduled to occur in the fourth quarter. The Company will look to provide additional guidance on the project once injection in stage two is initiated; however the Company has not budgeted for any increase in production rates from Battle Creek in 2010 in its previous guidance and will not do so until the longer term performance of the flood can be determined.

## **Tableland**

The Company is also pleased to announce that it has successfully farmed out its exploration acreage in Tableland south east Saskatchewan. Currently the Company owns 11,840 acres in north Tableland at a 100% working interest. As per the terms of the agreement, the farmee will commit to spud a horizontal Sanish oil well by August 15, 2010 with the farmee to pay 100% of the costs associated with the drilling, completion and equipping of the well to earn a 60% working interest in 9 sections of land. The farmee will then have the option to spud a second horizontal well by November 15, 2010 under the same terms as the commitment well to earn 60% in the remaining acreage. The farmee has successfully drilled a number of Sanish horizontal oil wells in Tableland with the most recent well producing in excess of 180 bbl/d over a 30 day time period. Upon successful completion of the farm-out, Second Wave will benefit by having both wells drilled at no costs to the Company by an experienced operator in the area and if successful the Company will have 0.8 net horizontal Sanish wells producing at year end and 7,400 net remaining acres in Tableland. Second Wave has not budgeted for any production or cash flow from Tableland in 2010 and will not do so until results have been obtained from the first commitment well.

## About Second Wave

Second Wave Petroleum is a growth-oriented oil and gas company focused on the production of crude oil and natural gas in Western Canada. Second Wave is defined by its focus on oil resource plays, specifically at Judy Creek, Alberta and its unparalleled drilling inventory. The Company will continue to pursue strategic farm-outs or dispositions to facilitate its capital focus on its Judy Creek Pekisko oil resource play. The Company is well-capitalized and is run by an experienced team of oil and gas industry professionals.

## 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.

**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: 2010 drilling plans generally; the future proposed phases of the Battle Creek CO(2) flood; and the expected timing for the commencement of flooding at Battle Creek and drilling at Tableland. 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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