

WaveForm Energy Ltd. News Release

Calgary, Alberta

TSX Venture Exchange: "WE.A & WE.B"
25,456,311 Class A Shares
935,616 Class B Shares

WAVEFORM ENERGY ACHIEVES DRILLING SUCCESS IN THIRD QUARTER

CALGARY, ALBERTA, – November 28, 2005. WaveForm Energy Ltd. ("WaveForm" or the "Company") announces a successful operational third quarter, with positive drilling results and significant production increases. Some of the highlights of the capital activity and results during the third quarter, and up until November 25, 2005 include:

THIRD QUARTER HIGHLIGHTS

- Discovered a new prolific horizon in the Ratcliffe Beds, called the Midale Evaporite Zone, which has high production rates, and anticipated long-life production.
- Refined drilling techniques in the Midale Evaporite Zone and completed a dual leg horizontal well significantly improving the initial flush production rates with average October production of 248 bbls/d, and average November production (to November 25th) of 160 bbls/d.
- Subsequent to quarter end, completed two additional dual leg horizontal Midale Evaporite wells which were successful, illustrating management's belief that this resource play is predictable and repeatable.
- Issued 5.4 million Class A shares to raise \$10.26 million through a bought deal.
- Continued along the learning curve in the Bakken Formation with the drilling of a carried interest well. Initial production rates of 250 to 450 bbls/d have now been achieved in the Bakken just south of the U.S. border in North Dakota indicating the Bakken potential is coming closer to being realized.
- Acquired an additional 8,000 gross acres (5,200 net) in the Tableland area which is prospective in both the Midale Evaporite Zone and the Bakken Formation.
- Acquired 21,000 gross acres (10,500 net) in a lower risk, concept play in the Antler area of southeast Saskatchewan, which is prospective for shallower Bakken oil, with multi-zone potential.
- Initiated, and subsequent to quarter end completed, a 54 square mile 3D seismic shoot over the core of WaveForm's land base which will help refine the Midale Evaporite development program, the Bakken Exploration program, and also highlight deeper potential on the Company's lands.

2005 THIRD QUARTER FINANCIAL AND OPERATING STATISTICS

	Three months ended Sept. 30, 2005	Three months ended June 30, 2005
Exit rate of production	121 bbls/d	29 bbls/d
Average daily production during quarter	92 bbls/d	22 bbls/d
Average price received per barrel	\$69.42	\$67.00
Production revenue	\$587,411	\$64,988
Net loss	\$(187,725)	\$(429,036)
Net loss per share – basic and diluted	\$(0.01)	\$(0.02)
Total assets	\$27,791,553	\$16,499,046
Working capital	\$8,039,422	\$2,264,963

WaveForm's complete Management's Discussion and Analysis as well as the Financial Statements will be available on WaveForm's website at www.waveformenergy.com and www.sedar.com.

CORPORATE DEVELOPMENTS

WaveForm is a recently formed junior oil and gas company focused on the acquisition, exploration and development of oil and natural gas production in Western Canada with a particular emphasis on exploration in the Tableland area of southeast Saskatchewan. The WaveForm joint venture currently has an undeveloped land base of approximately 40,000 gross acres (24,000 net) which provides 100 potential drilling locations in each of the Midale Evaporite Zone in the Ratcliffe Beds, the Upper Bakken Shale, and the Lower Bakken Shale. The Company also has a second core area with 21,000 gross acres (10,500 net) at Antler, southeast Saskatchewan. With this large land base, and extensive drilling inventory, WaveForm has the opportunity to achieve its vision of rapid growth through the drill bit.

The Company has discovered a new zone located in the Ratcliffe Beds, the Midale Evaporite, which has already proved to be an exciting and widespread resource play. WaveForm has now shown its ability to provide repeatable and predictable drilling success in that zone by having a 100 percent success rate on its first four wells.

WaveForm will continue to study and analyze the potential of the Bakken Formation which is also a resource play that is achieving initial production rates of 250 to 450 bbls/d in offsetting acreage, just south of the Company's land base in North Dakota. The Company is in the process of processing a 54 square mile 3D seismic program which will provide information on potential deeper zones over WaveForm's land base and refine the Midale Evaporite and Bakken programs by choosing optimal locations for drilling.

OPERATIONS

TABLELAND AREA

Ratcliffe Beds, Midale Evaporite Formation

In August, the Company completed its discovery well into the Midale Evaporite Formation in the Ratcliffe Beds, with a single leg horizontal well. The Company determined this formation was a potential target through log analysis when drilling deeper Bakken targets, and then through coring and drill stem testing the vertical portion of the discovery well. In addition, an offsetting vertical well has produced 164,000 bbls of oil over 22 years from only two metres of pay zone. WaveForm's discovery well had an initial production rate of 240 bbls/d and although the well was located one mile from the original offset well that had produced for 22 years, the Company encountered new reservoir characteristics with no pressure depletion. This evidence reinforced management's belief that this formation was ideally suited for horizontal drilling. By exposing 700 metres of the reservoir horizontally, instead of only two metres vertically, horizontal drilling has a profound impact on production rates and will allow for higher ultimate reserve recoveries. This first discovery well averaged 81 bbls/d during October and is currently undergoing a workover to enhance the ultimate recovery factor as a result of information gathered from subsequent drilling, completion and production in this field.

In late September, the Company had drilled and was in the process of completing its second well into the Midale Evaporite, which was WaveForm's first dual leg horizontal well, designed to expose a greater amount of reservoir for production. This dual leg well initially flowed at 600 to 900 bbls/d, and was placed on pump at 375 bbls/d as this high rate was not sustainable. The formation showed high pressures and a rapid build-up of pressure during production testing. Management believes that after a period of initial flush production that the well has a sustainable production rate of 150 bbls/d, and be subject to normal field declines thereafter. This dual leg well has now become the template for future drilling, and since coming on production in early October had an average production rate of 248 bbls/d during the month. It is currently producing at an average rate of approximately 160 bbls/d during November (up to November 25th) with consistent fluid levels.

Subsequent to period end and up to November 25, 2005 the Company drilled and completed two additional Midale Evaporite wells both of which are on production. Being the first Company to actively develop this area, and to apply modern horizontal drilling techniques, there is limited pre-existing data. Management is continuing to refine the drilling, completion and production practices based on ongoing experience with this zone. WaveForm's third well had similar high initial flow rates to the second well drilled. However, the well has higher than expected gas production which is causing some operational issues through displacement of the oil and gas locking of the pump, which we are actively working to solve. The fourth well is in early production and has high initial rates of production consistent with the second well, with a more normalized solution gas-to-oil ratio. The fluid rates of both the new wells drilled after quarter end have drawn down more quickly than expected and management is currently assessing the situation but currently expects these wells to decline to 50 to 100 bbls/d until further completion techniques are designed and implemented. The Company anticipates drilling three

additional wells into the Midale Evaporite prior to year-end, however, two of the wells will likely not be on production until early January.

Management is excited about the significant, long-term production and reserves potential of the Midale Evaporite discovery. Geological mapping indicates this formation extends across the majority of WaveForm's land base, and therefore has the potential to generate significant production growth for the Company. The capital costs of these wells are approximately \$1,600,000 gross (\$1,040,000 net to WaveForm), have 30 degree API oil which is right on the cusp of the medium/light grade, and are subject to a 100,000 bbl virtual royalty holiday whereby the crown royalty rate is 2.5 percent. The high initial flush production, combined with the royalty holiday allows for very quick payouts of the capital costs, and significant cash flow from operations.

WaveForm obtained access to its second rig on November 22, 2005 and can now accelerate the 30 well development program on the 18 sections of land it currently classifies as developmental drilling by having a greater than 80 percent chance of successful completion.

Bakken Formation

The Bakken Formation is considered one of the most significant hydrocarbon sources in the Williston Basin. The WaveForm land base is in the thermally mature part of the Bakken Formation within the Williston Basin, which makes it similar to the North Dakota Bakken Formation, but different from the Viewfield, Sinclair, and Daly fields which are not thermally mature. The presence of light 42 degree oil within the Bakken Formation has been clearly indicated through swab testing, core analysis, and log analysis. The challenge of this area involves identifying the most effective and economic drilling and completions techniques. Richland County, Montana, was the first area in which economic drilling and completions methodologies were successfully identified, however, that process involved years of costly testing and research. The ultimate rewards in terms of reserves and production have been well worth the effort. During the early stages of exploration and development in Richland County, from 2000 to 2003, production grew slowly to approximately 4,000 boe/d. However, more recently, with the application of more effective production techniques, production has now grown to more than 40,000 boe/d. WaveForm is encouraged by the early successes in North Dakota, within miles of the WaveForm lands, IP rates from single leg wells have ranged from 250 to 450 bbls/d, implying that WaveForm's local Bakken knowledge is growing rapidly.

The Bakken Formation continues to be a high priority for WaveForm, as the Company expects this formation to have high exploration potential. Management will continue its efforts to evaluate and unlock the Bakken resources. The Company has been actively sharing core data, log data, and other drilling and completion information with numerous companies operating in Canada and the United States, including those with initial successes in North Dakota. Although initial production rates are encouraging, production has never stabilized, and the most effective completion techniques allowing for long-term stabilized production are yet to be determined. WaveForm will continue to share information with the other operators active in the Bakken Formation, but will focus its drilling efforts and the majority of its capital expenditure in the Midale Evaporite Zone, until drilling and completion techniques have been further refined.

During the third quarter, the Company began drilling its third Bakken target well with a joint venture partner providing 100 percent of funding in exchange for a 50 percent working interest, after payout. The drilling was operated by WaveForm and the Core information and production data from the first two wells was used to refine drilling and completion methods used. During the drilling process, mechanical problems were encountered when the regional dip was not consistent with expectations. Consequently, the well was drilled partially out of zone, and due to these complications was stopped at 500 metres instead of the targeted 1,000 metres. The well was then swabbed, prior to completion. The modified drilling and completion techniques used proved effective as the fluid recovered during swabbing was 80 percent light oil, and 20 percent associated water. This indicates the Formation itself is oil bearing. The well was completed using techniques of the funding partner, which were not consistent with the best practices being utilized in North Dakota. The Company does not expect this well to be commercially successful, however, it has gained valuable information to allow us to continue along the Bakken learning curve, with no capital cost to the Company.

Tableland Deeper Zone Potential

The Company has recently completed a 3D seismic program covering a 54 square mile area across the core of its land base. This will help refine and optimize the drilling location selection for the Midale Evaporite and Bakken Formations. Management is excited about the possibility of having high producing deeper zones on the Company's land base. There are six deeper zones and several shallow zones, which are generating production very close to WaveForm's land base. Based on early geological mapping and the basement structure features that have been seen through the initial drilling program, the Company is optimistic that other zones will become future targets. The deeper zones in southeast Saskatchewan are characterized by high pressure, high production, and long life reserves. Consequently, any one of these zones would be a high impact exploration play for the Company.

ANTLER AREA

A New Exploration Prospect

During the third quarter the Company acquired 21,000 gross acres (10,500 net) through a joint venture in which WaveForm has a 50 percent working interest. The Antler Area is prospective for light oil in several zones ranging from the Devonian, Birdbear and Torquay formations to the Mississippian aged Bakken, Lodgepole and Tilston formations. The joint venture has conducted geological mapping based on local industry activity to identify an exploration fairway which it feels may be prospective. Initial wells will be targeting the Torquay and Bakken formations from 900 to 1,300 metres deep. Initial production rates are expected to be similar to the Sinclair field, which is in close proximity, ranging from 40 to 80 bbls/d of light sweet oil. The area has good access to infrastructure and will have dry hole costs of approximately \$200,000 per well, with an additional \$150,000 to drill and complete. While still consistent with WaveForm's exploration focus, this additional core area is shallower, accessible vertically, cheaper to drill and is a more conventional and lower risk project which blends nicely with the high-impact Tableland core area. WaveForm has a large land base in this area, and believes the lower risk profile of the area is an effective risk management tool for the Company going forward. Management plans a seismic program in the area and anticipates the drilling of three exploration wells prior to year-end.

PETROLEUM SALES

	Q3 2005	Q2 2005
Daily petroleum production (bbls/d)	92	22
Average price received	\$69.42	\$67.00
Revenue	\$587,411	64,988

Production began from the first two Bakken wells on May 17, 2005 when they were placed on pump. The first Midale Evaporite discovery well was put on production August 14th and comprises 85 percent of the total production for the third quarter, as compared with 100 percent Bakken oil production in the second quarter. The current production rate currently is approximately 330 bbls/d, assuming the fourth well is producing at a sustained rate and not at the initial flush production rate. Associated natural gas production is being used to fuel the production equipment.

ROYALTIES

The royalty expense for the third quarter was \$12,427 compared to \$1,853 in the second quarter when production commenced. The Saskatchewan royalty regime includes incentives where deep horizontal wells qualify for a royalty incentive on the first 100,000 bbls of production. This incentive reduces the royalty rate to approximately 2.5 percent. This royalty incentive is a significant economic benefit that will allow for high initial netbacks and cash flow from wells drilled in southeast Saskatchewan.

OPERATING EXPENSES

The operating expenses for the third quarter were \$360,998. The operating costs on the Midale Evaporite discovery well were \$7.78 per bbl for the quarter, which is consistent with the expected future operating costs for Midale Evaporite production. Operating costs in aggregate are high due to the water disposal costs associated with the current production on the first two Bakken wells. In addition, operating costs include a workover of a Bakken well during the quarter involving approximately \$170,000, close to 47 percent of the total operating costs.

DEPLETION AND DEPRECIATION EXPENSE

Depletion and depreciation expense consists of:

	Three months ended Sept 30, 2005	Nine months ended Sept 30, 2005
Depreciation of office equipment	4,261	7,421
Accretion of asset retirement obligation	2,310	0

Depletion of petroleum and natural gas properties	110,104	126,851
Depreciation of technology license	50,820	118,580
	<u>\$167,945</u>	<u>\$255,162</u>
Depletion of petroleum properties per barrel	<u>\$13.01</u>	<u>\$13.44</u>

The depreciation of office equipment has increased in proportion to the increase in office equipment. The depletion expense has increased with the increase in production and revenues and has remained consistent on a per barrel basis. The technology license value is being amortized over a period of five years, or \$16,940 per month. The accretion of the asset retirement obligation reflects the passage of time related to the liabilities recorded in the second quarter.

GENERAL AND ADMINISTRATIVE EXPENSE

	Three months ended Sept 30, 2005	Nine months ended Sept 30, 2005
General and administrative expense – gross	356,468	936,966
Overhead recovery	(140,000)	(140,000)
Capitalized amounts	(33,750)	(33,750)
	<u>\$182,718</u>	<u>\$763,216</u>

The general and administrative expenses were \$763,216 for the nine months ended September 30, 2005 and \$182,718 for the three months ended September 30, 2005. As capital activity has increased, additional resources are required including people, software, equipment and other resources to effectively operate a drilling program which reflects the increase in gross G&A costs. During the quarter the Company capitalized \$33,750 in salaries of technical personnel within the Company. The overhead recovery of \$140,000 relates to the carried-interest Bakken well where WaveForm's joint venture partner paid 100 percent of the costs of the well, and also pays a seven percent capital overhead recovery on all expenditures. The general and administrative costs represent the costs of ongoing operations with no further significant unusual items.

NET LOSS AND CASH FLOW USED IN OPERATIONS

The net loss and the negative cash flow from operations consist of the general and administrative costs, offset by residual interest income and operational revenues which are beginning to increase. The production rates were low at the beginning of the third quarter until the first Midale Evaporite discovery well began production in mid August, and this contributed to the overall loss position for the nine months ended September 30, 2005, which includes a full year of general and administrative costs. The three months ended September 30, 2005 showed a turnaround in operations with a positive cash flow from operations of \$56,545. This cash flow for the three months ended September 30, 2005 is lower than expected due to the workover performed during the quarter for approximately \$170,000, and Midale Evaporite well production for only half of the quarter. During the fourth quarter, three additional dual leg Midale wells, with higher associated production, are currently producing and one to three additional wells are expected to be completed. This increased production and continuing development of the land base is expected to improve both profitability and cash flow for the remainder of the year.

The results from September 30, 2004 relate to a usage fee related to the technology license which offsets general and administrative costs for a residual net income. These operations were prior to commencement of the exploration and development program of the Company and are not reflective of the ongoing operations of the Company.

CAPITAL EXPENDITURES

During the nine months ended September 30, 2005 the Company incurred \$12,323,344 in capital expenditures and \$3,839,121 for the three months ended September 30, 2005. During the third quarter the Company completed the first Midale Evaporite discovery well (100 percent working interest) and had drilled the first dual leg Midale Evaporite well (65 percent working interest) which was completed in October. The Company also participated in the August 16, 2005 Crown land sale and actively acquired freehold lands during the third quarter.

	Three months ended Sept. 30, 2005	Nine months ended Sept. 30, 2005
Land acquisition, net of disposals	867,999	1,033,558
Geological and geophysical	26,185	133,278

Drilling and completion	2,719,287	10,572,185
Equipment and facilities	213,733	557,343
Other	11,917	26,980
	<u>\$3,839,121</u>	<u>\$12,323,344</u>

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2005, the Company had \$8,791,624 in cash and cash equivalents and \$8,039,422 in net working capital. Management expects the capital program for the remainder of 2005 to consist of 9 additional wells, which will result in additional capital expenditures of approximately \$8 to 10 million dependent on the amount of prospective land that the Company is able to purchase. The Company currently has positive cash flow from operations which will continue to increase each month to fund the capital program, and maintain positive working capital.

EQUITY

As at September 30, 2005 the Company had 25,197,761 Class A common shares outstanding, 935,616 Class B shares, 1,964,500 options outstanding at a weighted average exercise price of \$0.98 per common share, and 752,950 broker warrants with an exercise price of \$0.20 per common share.

During the first nine months of 2005, the Company had 606,125 warrants exercised at \$1.25 for proceeds of \$757,657, and 150,770 broker warrants exercised for \$0.20 for proceeds of \$30,154. The Company had 2,5218,125 warrants expire unexercised on June 22, 2005, and has 752,950 broker warrants remaining which expire December 31, 2005. Subsequent to period end, an additional 258,550 broker warrants have been exercised.

During the third quarter a total of 548,000 options were granted to officers, directors and consultants, and 157,666 options were exercised.

The authorized share capital consists of an unlimited number of Class A and B voting shares. The Class B shares are convertible into Class A shares based on a formula equal to \$10 divided by the greater of \$1 and the then market price of the Class A shares. The Class B shares are convertible at the option of the Company at any time after January 21, 2008 and before January 31, 2010. The Class B shares are convertible at the option of the shareholder, at any time after February 1, 2010 and before March 1, 2010. Any Class B shares not previously converted will automatically convert to Class A shares on March 1, 2010.

SUBSEQUENT EVENTS

On October 4, 2005 WaveForm successfully participated in a Crown land sale for a net cost to WaveForm of \$1,668,000. The cash related to the land sale was distributed to the Company's joint venture partner on September 30, 2005 and is included in accounts receivable at September 30, 2005.

About WaveForm

WaveForm is a junior oil and gas company focused on the acquisition, exploration and development of oil and natural gas in Western Canada with a particular emphasis on exploration in the Tableland area of Southeastern Saskatchewan. The WaveForm joint venture currently has an undeveloped land base of approximately 39,000 gross acres which provides more than 100 potential drilling locations in each of the Midale Evaporite, the Upper Bakken Shale and the Lower Bakken Shale.

For further information please contact:

WaveForm Energy Ltd.

Donald K. Rae, President and Chief Executive Officer
Michael V. Little, Manager, Business Development
Daniel R. Hay, CFO, and Vice President Finance

Suite 3000, 150 – 6th Ave S.W.

Calgary, Alberta T2P 3Y7

Telephone: (403) 538-2121

Email: don@WaveFormenergy.com, mike@WaveFormenergy.com, or danny@WaveFormenergy.com

Web: www.WaveFormenergy.com

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