

# WaveForm Energy Ltd. News Release

Calgary, Alberta  
May 1, 2007

TSX Venture Exchange: "WE.A & WE.B"  
76,051,631 Class A Shares  
935,616 Class B Shares

## WaveForm Energy Releases 2006 Results and Corporate Update

CALGARY, ALBERTA - WaveForm Energy Ltd. ("WaveForm" or the "Company") (TSX VENTURE:WE.A) (TSX VENTURE:WE.B) announces its financial and operating results for the year ended December 31, 2006. The audited financial statements and Management's Discussion and Analysis were filed yesterday on SEDAR at [www.sedar.com](http://www.sedar.com) and posted on the Company's website at [www.WaveFormenergy.com](http://www.WaveFormenergy.com).

With respect to its financial results, the Company is pleased to report that it generated positive cash flow from operations (before non cash working capital changes) during 2006 of \$1,011,884 or \$0.03 per share. The Company which was re-capitalized in January, 2007, advises that it has strengthened its balance sheet with the addition of two tranches of capital in 2007. A private placement was completed in January, 2007 which raised an aggregate of \$4 million. On March 31, 2007, approximately \$1,700,000 of warrants issued in the January private placement were exercised. This additional capital has been applied to reduce the Company's debt and to increase working capital. The Company is also pleased to announce that Brookfield Bridge Lending Fund Inc. has agreed to extend the term of its loan to December 31, 2007 in exchange for the issuance of 5 million Share Purchase Warrants for Class A Shares of the Company. The Share Purchase Warrants may be converted into Class A Shares at \$0.15 per share until the loan has been repaid and thereafter at \$0.175 until the expiry of the Warrants on May 1, 2009.

The Company also announces its reserves for the fiscal year ended December 31, 2006. In accordance with National Instrument 51-101-Standards for Disclosure for Oil and Gas Activities ("NI 51-101"), GLJ Petroleum Consultants ("GLJ") have independently prepared the WaveForm GLJ Report (the "GLJ Report") which evaluated all of the Company's oil, natural gas and liquids reserves as at December 31, 2006. The GLJ price forecast of January 1, 2007 was used to determine all estimates of future net revenues. Based on the GLJ Report, the Company has 1,151Mboe proven plus probable reserves for Total Company Interest Reserves. The before tax net present value discounted at 10% of the Total Company Interest Reserves is \$14,350,000. Total proven reserves account for 72% of the Company's reserve base. The total proved plus probable reserve life index of WaveForm as of December 31, 2006 is 12.6 years. Total Company interest reserves are the total of the Company's working interest share before the deduction of royalties. Net reserves are the total of the Company's working interest reserves after deducting amounts attributable to royalties owned by others, plus the Company's royalty interest reserves. The summary of the GLJ Report is available for public viewing on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)).

The Company also announces that it is proceeding with its previously announced transaction to acquire Stone Castle Exploration Ltd. The shareholders of Stone Castle have now approved the transaction and it is anticipated that the acquisition will close on May 3, 2007. When completed, the transaction will add approximately 50 BOED to the Company's production. The Company also advises that its joint venture partner in Tableland, Saskatchewan is proceeding pursuant to its commitments to the Company with the drilling of a first test well to the Bakken formation, which is anticipated to be commenced on or before August 31, 2007.

The Company announces that Mike Heier has tendered his resignation as a director. The Board of Directors wishes to thank Mr. Heier for his hard work and dedication to the Company from its inception. The new Board of Directors, which was appointed in January, 2007, now consists of Donald E. Foulkes, Ross O. Drysdale, Dinesh Dattani and Robert F. Goods of Calgary and David M. Macdonald of Toronto.

The Company announces that it has granted 300,000 incentive stock options to three management employees under the Company's stock option plan. The options were granted at an exercise price of \$0.15 and vest over a two year period with an expiry date of April 26, 2012.

### About WaveForm Energy

WaveForm is a newly recapitalized junior oil and gas company focused on exploration and development of oil and natural gas in Alberta and Saskatchewan.

## **READER ADVISORY**

*The TSXV has neither approved nor disapproved the contents of this news release.*

*This news release may contain certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

*BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

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