

**For Immediate Release
Calgary, Alberta**

**Thursday, May 10, 2007
TSX Venture Exchange: "WE.A & WE.B"
82,219,131 Class A Shares
935,616 Class B Shares**

WaveForm Energy Acquires Stone Castle Exploration

CALGARY, ALBERTA – May 10, 2007– WaveForm Energy Ltd. ("WaveForm" or the "Company") announces that it has completed its previously announced transaction (the "Transaction") to acquire Stone Castle Exploration Ltd. ("Stone Castle"). Stone Castle is a private oil and gas company with properties in Saskatchewan. In the Transaction, the shareholders of Stone Castle received a Unit comprised of 0.5 of a WaveForm Class A Share and 0.5 of a WaveForm Warrant to acquire a Class A Share for each Common Share of Stone Castle (the "Warrants"). The Warrants are exercisable at \$0.20 per share until June 30, 2007, \$0.30 per share until December 31, 2007 and \$0.40 per share until expiry on December 31, 2008. Following completion of the Transaction, WaveForm will have issued 6,167,500 Class A Shares and 6,167,500 Warrants to acquire Class A Shares from Treasury to the shareholders of Stone Castle as consideration for the acquisition. The Transaction received the approval of the shareholders of Stone Castle, the TSX Venture Exchange and regulatory authorities.

The Transaction provides Stone Castle shareholders with continued participation in WaveForm's and Stone Castle's jointly held Tableland properties which include the Bakken and Midale formations. Prior to the Transaction, WaveForm and Stone Castle were partners in the Tableland properties with WaveForm as operator and a 65% working interest and Stone Castle participating for a 35% working interest. WaveForm will acquire Stone Castle's current production from the jointly held Midale wells which are currently producing approximately 45 BOED to Stone Castle and 95 BOED to WaveForm from ten wells. The shareholders of Stone Castle will benefit from WaveForm's holdings in the Rowley and Ferrier areas of Alberta which produce approximately 150 BOED to WaveForm and from the upside of WaveForm's asset base which includes development properties in Ferrier and Rowley and approximately 55,000 acres of land in the Tableland area. WaveForm has retained the Stone Castle's name and will operate Stone Castle's properties under the original name.

In the Transaction, WaveForm also paid out Stone Castle's lender for \$1.6 million of loan obligations. At the closing, WaveForm increased its debt facility with its principal lender by \$1 million to \$9 million and extended the repayment of the debt facility to December 31, 2006. As consideration for the increased loan and extension, WaveForm issued 5,000,000 Warrants to purchase 5,000,000 Class A Shares of the Company to its lender. The Warrants have an exercise price of \$0.15 until the loan is repaid and thereafter at a price of \$0.175. Upon completion of the Transaction, WaveForm has 82,219,131 Class A Shares, 935,616 Class B Shares and 36,334,500 Warrants issued and outstanding.

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.

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