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For Immediate Release

WAVEFRONT ENERGY & ENVIRONMENTAL SERVICES INC.

Announces Third Quarter Results

EDMONTON, Alta., July 31, 2006/ Wavefront Energy and Environmental Services Inc., a provider and licensor of its proprietary DeepWaveSM (http://onthewavefront.com/dw_what-is-deep-wave.htm) Technology for improved oil recovery and groundwater remediation announces its financial and operating results for the third quarter ended May 31, 2006.

Revenue for the nine months ended May 31, 2006 was \$468,674 contrasted to revenue of \$1,210,897 for the comparative period ended May 31, 2005. The decrease in revenues is a result of the comparative period recognizing the sales of two, unusual one-time, integrated monitoring products and services that resulted in total revenue of \$883,862. Included in other revenue for May 31, 2006 was \$91,386 interest income generated from guaranteed investment certificates. Total general and administrative expenses for the period ended May 31, 2006 was \$2,037,167 versus \$1,432,435 for the comparative period in 2005. The increase in expenses of \$604,732, was primarily due to increases in wages expense of \$400,558, professional fees of \$289,450, and listing and public company fees of \$36,570. Off-setting these increases were decreases in research and development expenses of \$76,430, interest expense of \$48,537 and consultant expenses of \$39,953.

The Company's consolidated net loss for the nine months ended May 31, 2006 was \$1,726,921 or \$0.05 per share compared to a consolidated net loss for May 31, 2005 of \$1,162,105 or \$0.05 per share.

The aforementioned increase in operating expenses and losses reflect the following:

- i. The Corporation's involvement in developing the Rogers County oilfield to showcase DeepWaveSM. This includes the increases in the number of staff employed as well as increased wage rates resulting from operating the Rogers County oilfield.
- ii. The inclusion of the fair value of stock option valuation as an employee wage expense approximated \$438,504 for the six months ended May 31, 2006. The increase in the fair value is due to increased liquidity of the stock, which affects the Corporation's ability to discount the expense by 60%.
- iii. During the reporting period the Corporation initiated a lawsuit against Applied Seismic Corporation ("ASR") of Plano, TX asserting tortious interference with a pending contract for the implementation of DeepWaveSM with Occidental Petroleum of Elk Hills in California. ASR has made a counterclaim against the Corporation asserting patent infringement. Legal and patent attorney costs totaled \$221,527 and are recorded within the professional fees. The Corporation maintains its position that its patents are valid and strong, that it does not infringe on ASR's patents and that it will be successful in its lawsuit against ASR.
- iv. The successful collaboration of a coiled tubing DeepWaveSM tool with Halliburton Energy Services has allowed the Corporation to reduce its research and development costs. These costs however, are expected to increase as the Corporation and Halliburton endeavour to develop additional continuous field stimulation systems for use in waterfloods, disposal wells, etc. The new generation collaborated continuous system will be an addition to the DeepWaveSM systems the Corporation is currently deploying or developing on its own.

Cautionary Disclaimer – Forward Looking Statements

Certain statements contained herein regarding the Company and its operations constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plan, objectives, assumptions or expectations or future performance, are "forward-looking statements". We caution that such "forward-looking statements" involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. The Company expressly disclaims any obligation to up-date any "forward-looking statements".

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- v. The extinguishment of certain interest bearing debts thereby reducing or eliminating interest accruals, and the recovery of interest on professional fees charges that approximated \$19,000 and relate previous reporting periods.

As at May 31, 2006, assets totaled \$18,999,047 as compared to \$932,567 at August 31, 2005. The Company has working capital of \$16,027,410 for the reporting period as compared to a working capital deficit of \$1,237,260 at August 31, 2005. The increase in working capital is principally a result of closing of two non-brokered private placements and the exercise of convertible securities.

The development of mineral property interests will continue to be a cornerstone of the Company's strategy in showcasing DeepWaveSM. Management expects the financial results to move towards profitability as oil production revenues from mineral rights are expected to increase while operating expenses are expected to remain relatively stable. In addition, as results from DeepWaveSM projects are received, it is anticipated that DeepWaveSM licensing royalties will continue to grow.

The above financial highlights should be read in conjunction with the unaudited consolidated financial statements and management discussion and analysis of results for the Company's most recently completed quarter, ended May 31, 2006, which have been filed on SEDAR.

The Company wishes to update the market on the recent court mandated mediation session held on June 27, 2006 in Dallas, TX. The mediation was an attempt to reach a settlement between the Company and Applied Seismic Research involving claims and counter claims described above as well as in previous news releases. At this time a settlement between the two parties has not been reached however the Company and its lawyers continue to work with the mediator to reach an equitable and meaningful settlement.

Further to the on-going mediation between the parties the attorney of record and counsel for ASR, both of the law firm Jackson Walker L.L.P., are seeking leave to withdraw as counsel for ASR. In its unopposed motion dated July 24, 2006 Jackson Walker L.L.P. cites that it has expended considerable effort, time, case expenses, and overhead expenses in pursuing the case for which they had yet to receive full payment. The motion has yet to be approved.

The Company would also like to provide an update on progress in Rogers County, OK. As announced on April 28, 2006 a Dragonfly tool was installed in Rogers County. Though a positive response is seen from the Dragonfly tool when in operation water supply shortages have led to interrupted service affecting the Company's ability to definitively measure longer term production related results. However, management believes the positive results seen during the tool's operation should, when operational on a continuous basis, give rise to overall production gains. To ensure an ample supply of water across the entire lease the Company recently completed drilling additional water source wells and is also extracting water from nearby surface sources.

It is anticipated that 4 additional Dragonfly tools will be installed in August 2006 as well as the new permanent waterflood tool developed with Halliburton. Given water supply issues have been resolved the Company is confident it will be in a position to disseminate definitive production numbers in the coming weeks on all DeepWaveSM installations in Rogers County.

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Additionally, the Company has completed drilling 22 new vertical wells and is slated, depending on rig availability, to commence the drilling of 6 multi-lateral wells in September 2006. In this new development the vertical wells will be placed on production until such time as a production decline is established. Once production decline has been established the wells will be converted into DeepWaveSM water injectors for pressure support of the multi-lateral production wells.

About Wavefront Energy and Environmental Services Inc.

Wavefront develops, markets, and licenses proprietary technologies in the energy and environmental sectors. The Company's DeepWaveSM Technology for fluid flow optimization has been demonstrated to increase oil recovery. Within the environmental sector, DeepWaveSM Technology accelerates contaminant recovery and improves in-ground treatment of groundwater contaminants thereby reducing liabilities and restoring the site to its natural state more rapidly.

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ON BEHALF OF THE BOARD OF DIRECTORS

WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.

"D. Brad Paterson" (signed)

D. Brad Paterson, CFO & Director

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