

News release via Canada NewsWire, Calgary 403-269-7605

Attention Business Editors:  
Storm Exploration Inc.

CALGARY, July 29 /CNW/ - STORM EXPLORATION INC. (TSX - SEO) is pleased to advise that the "bought deal" financing, first announced July 8, 2004, has been completed. A total of 2,250,000 common shares were issued on a "flow-through" basis (the "flow-through shares") at a price of \$3.50 per share for gross proceeds of \$7,875,000. The issue was completed on a private placement basis by a syndicate of underwriters led by FirstEnergy Capital Corp. and including Peters & Co. Limited and Tristone Capital Inc. Pursuant to the terms of the underwriting agreement, 1.5 million flow-through shares were issued on a bought deal private placement basis at a price of \$3.50 per share for gross proceeds of \$5.25 million and 750,000 flow-through shares were issued in a separate private placement to Storm insiders and employees at a price of \$3.50 per share for gross proceeds of \$2.625 million. The flow-through shares are subject to a four month hold period. Storm Exploration Inc. will apply the proceeds of the issue towards its capital expenditure program in Western Canada.

Storm Exploration Inc. is headquartered in Calgary and is active in west and north central Alberta and in northeastern British Columbia. Storm has a total capitalization of approximately \$100 million and is a successor company to Storm Energy Ltd., which recently completed an arrangement with Harvest Energy Trust.

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