



CALGARY, ALBERTA: Storm Exploration Inc (TSX:SEO) Acquires Production, Undeveloped Land, and Seismic at Parkland.

Asset Acquisition

Storm has entered into an agreement to acquire a partner's working interest at our Parkland property within the Peace River Arch core area. Consideration for the acquisition is made up of a cash payment of \$25.5 million plus our working interest in six producing oil wells at Red Earth. The effective date of the transaction is May 1st with closing expected in early June. This transaction will be financed using our credit facility.

Highlights of the transaction are as follows:

- Acquired production at Parkland is approximately 465 Boe per day from 16 producing gas wells (23.5% average working interest) with associated proved plus probable reserves of 1,068 Mboe (based on the 2006 year end reserve evaluation adjusted for production from January 1 to April 30, 2007).
- In addition to the cash payment of \$25.5 million, the purchase price includes Storm's working interest in six oil wells (63.5% average working interest) at Red Earth that are producing a total of 110 net barrels of oil per day, with associated proved plus probable reserves of 376 Mboe (based on the 2006 year end reserve evaluation and adjusted for production from January 1 to April 30, 2007). Storm attributes \$8.1 million of value to the Red Earth reserves transferred to the vendor as part of the consideration for the acquisition.
- Purchase price includes an allocation of \$1.9 million for 5,675 net acres of undeveloped land and \$4.9 million for 250 km² of 3-D seismic (50% of replacement cost).
- Adds 692 Mboe of proved plus probable reserves (net of the Red Earth disposition) at a cost of \$27.02 per Boe after deducting land and seismic value.
- Consolidates our working interest in a property where we've experienced significant success as evidenced by having grown production to 2,350 Boe per day (including volumes acquired in this transaction) since production first began in November 2004.
- Increases our working interest to 100% from 75% in our inventory of 27 drilling locations which is lower risk in nature as evidenced by our drilling success rate of 89% since 2004 (24 for 27). We also have an inventory of 12 exploitation opportunities which are primarily uphole recompletions.

The upside associated with this transaction includes:

- Increasing reserves with infill and delineation drilling. Using 3-D seismic and existing well control, potential gas in place of 110 BCF exists on our lands in the Halfway and Doig formations. Approximately 55% or 60 BCF of this gas in place was recognized in our 2006 year end reserve evaluation. Assuming a 60% recovery factor, this represents potential reserve upside of 1,200 Mboe net to the 23.5% average working interest that we are acquiring.
- Increasing the potential gas in place in the Halfway and Doig formations by drilling step-out locations that will target pool extensions or new pools that have been identified with 3-D seismic.

Upon closing of the acquisition described above:

- Our current total production will increase to approximately 6,450 Boe per day.

- Production exiting 2007 is now expected to be 7,400 Boe per day, an increase of 300 Boe per day from previous guidance of 7,100 Boe per day.
- Total capital expenditures for 2007, including the acquisition, will increase to \$94 million.
- There is no change to guidance for operating costs (\$6.50 to \$6.75 per Boe), cash G&A costs (\$1.15 per Boe), or royalty rate (22%).
- Operations capital expenditures will remain at \$68 million.
- Debt plus working capital deficiency is expected to be approximately \$84 million at the end of the second quarter.

Increasing our working interest at Parkland will ultimately improve Storm's longer-term growth profile given our historical success and the significant upside potential we have identified in this area. This transaction also allows us to more effectively leverage the large investment we have made to date in infrastructure and the additional investment we will make later this year in constructing a pipeline crossing the Peace River for a tie-in to the McMahan gas plant.

Forward-Looking Statements – Certain information set forth in this press release, including management's assessment of Storm's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are advised that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Storm's actual results, performance or achievement, could differ materially from those expressed in, or implied by, these forward-looking statements. Storm disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This press release shall not constitute an offer to sell or the solicitation of any offer to buy securities in any jurisdiction. Storm's common shares have not been nor will be registered under the United States Securities Act of 1933, and they may not be offered or sold in the United States absent registration or an exemption from registration.

Storm Exploration Inc. is a Calgary based junior oil and gas exploration company with operations in north eastern British Columbia and central and west central Alberta.

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