



## **STORM CAT ENERGY CORPORATION PROVIDES UPDATE ON FAYETTEVILLE SHALE PRODUCTION ACTIVITY**

- **OWEN 1-18H TEST RATE: 1,240 MCF/D**
- **BALLARD 1-18H TEST RATE: 1,341 MCF/D**

DENVER, Colorado and CALGARY, Alberta – July 8, 2008 – Storm Cat Energy Corporation (AMEX: SCU; TSX: SME) today provided an update of its operations in the Company's Arkansas Fayetteville Shale acreage.

The first three of the Company's 2008 Fayetteville development program wells are now on production and tied into sales, two of which have undergone State of Arkansas Form 13 testing. Each well continues to produce significant volumes of fracturing fluid. Notwithstanding, the Owen 1-18H tested at a rate of 1,240 thousand cubic feet per day (Mcf/d) and the Ballard 1-18H tested at a rate of 1,341 Mcf/d. The Company is very encouraged by these test rates and anticipates that production from these wells will increase as cleanup progresses. The third well, the Roberts 1-13H, is tied into sales and is about to undergo a Form 13 rate test.

The Company anticipates commencing hydraulic fracturing of the fourth horizontal well of the 2008 program, the Files 3-12H, this week. Drilling activity on the fifth horizontal well, the Files 2-12H, is ongoing and is approaching total depth. Finally, completion of the Vaughan 2-18 well, a shallow well testing a gas-charged zone observed in the Vaughan 1-18H well, is expected to commence later this week.

The Company is extremely pleased by the initial results observed in its 2008 wells and believes that these results further validate the Company's asset position.

### **About Storm Cat Energy**

Storm Cat Energy is an independent oil and gas company focused on the exploration, production and development of large unconventional gas reserves from fractured shales, coal beds and tight sand formations and, secondarily, from conventional formations. The Company has producing properties in Wyoming's Powder River Basin and Arkansas' Arkoma Basin and exploration and development acreage in Canada. The Company's shares trade on the American Stock Exchange under the symbol "SCU" and in Canada on the Toronto Stock Exchange under the symbol "SME."

### **Forward-looking Statements**

This press release contains certain "forward-looking statements", as defined in the United States Private Securities Litigation Reform Act of 1995, and within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of Storm Cat's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future



events could differ materially from those anticipated in such statements. Storm Cat undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, but are not limited to, the volatility of natural gas prices, the possibility that exploration efforts will not yield economically recoverable quantities of gas, accidents and other risks associated with gas exploration and development operations, the risk that the Company will encounter unanticipated geological factors, the Company's need for and ability to obtain additional financing, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company's exploration and development plans, and the other risk factors discussed in greater detail in the Company's various filings on SEDAR ([www.sedar.com](http://www.sedar.com)) with Canadian securities regulators and its filings with the U.S. Securities and Exchange Commission, including the Company's Form 10-K for the fiscal year ended December 31, 2007.

Company Contact:

William Kent  
Director, Investor Relations  
Phone: 303-991-5070  
[www.stormcatenergy.com](http://www.stormcatenergy.com)