

Double Eagle Petroleum Co.

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Colorado-- FOR IMMEDIATE RELEASE

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Double Eagle Petroleum Reports Record Second Quarter Results

Denver, Colorado - Double Eagle Petroleum Co. (NASDAQ: DBLE) today reported its record financial and production results for its second quarter of 2008. The key highlights emphasized include:

- Record quarterly earnings per share of \$0.26 per diluted share as compared to a net loss per share of \$(0.06) for the second quarter 2007;
- Record quarterly revenue of \$13,789,000 representing a 277% increase over the same prior-year period;
- Cash flows from operations for the first six months of 2008 equaled \$10,470,000 as compared to \$2,582,000 the six months ended June 30, 2007;
- Record quarterly production volumes of 1.49 Bcfe, representing a 99% increase over the same prior-year quarter.

The Company reported net income attributable to common shareholders of \$2,342,000, or \$0.26 per diluted share, for the second quarter 2008 as compared to a net loss of \$(507,000), or \$(0.06) per share, for the same prior-year period. On an income per share basis, this represented an increase of 533%. The net income attributable to common stock for the three months ended June 30, 2008 included dividends paid on the Company's outstanding Series A Preferred Stock of \$931,000.

Total revenues for the three months ended June 30, 2008 increased 277% to \$13,789,000, as compared to \$3,662,000 in the same prior-year period. Total production-related revenue for the three months ended June 30, 2008 increased to \$13,179,000 from \$3,643,000, or 262%, as compared to the three months ended June 30, 2007. The increase in production revenue was due to an increase in the average price realized, coupled with record production volumes. The Company experienced favorable changes in natural gas prices, resulting in our average price for the quarter ended June 30, 2008 increasing 70% to \$7.71 per Mcfe from \$4.54 per Mcfe in the prior year period.

The total net production volume for the three months ended June 30, 2008 was 1.49 Bcfe, or 16,419 Mcfe per day, an increase of 99% over the same prior-year period. The increase in production volume is primarily due to the addition of 23 new wells at our Catalina Unit, 10 new wells at the Mesa Unit and 47 new wells at the Sun Dog Unit in the first half of 2008.

Richard Dole, Chairman of the Board of Double Eagle, commented, "In the second quarter of 2008, we realized record production, revenue and earnings results, which evidences the successful execution of our development plan. We continue to see excellent organic growth in our Catalina Unit from our newly drilled wells."

The Company's gross operating margin, excluding depreciation, depletion and amortization ("DD&A"), increased to 68.7% and 68.2% for the three and six months ended June 30, 2008, respectively, as compared to 36.4% and 47.5% for the same prior-year periods. The increase in gross margin was due to increased realized gas prices, and increased production and operating efficiency at the Catalina Unit.

For the six months ended June 30, 2008, the Company reported net income of \$3,273,000, or \$0.36 per diluted share as compared to a net loss of \$(268,000), or \$(0.03) per share, for the same prior-year period.

Total revenues for the six months ended June 30, 2008 increased 145% to \$21,105,000 as compared to \$8,607,000 for the six months ended June 30, 2007. Total production related revenue for the first half of 2008 increased to \$20,339,000 from \$8,466,000, or 140%, as compared to same period in 2007. Year to date, the Company has realized an average price of \$7.43 per Mcfe, a 40% increase over the average price during the same period in 2007. The total net production volume for the six months ended June 30, 2008 was 2.39 Bcfe, or 13,148 Mcfe per day, an increase of 58% over the same prior-year period.

Management believes that the Company's balance sheet continues to be strong with assets totaling \$113.8 million and total long-term debt outstanding on its existing credit facility of \$19.2 million. Currently, the Company has a \$50 million credit facility in place with a borrowing base of \$35 million (based on December 31, 2007 reserves).

The Company has implemented a hedging policy in place in order to mitigate its exposure to oil and gas production cash-flow risk caused by fluctuating commodity prices. Our outstanding derivatives as of June 30, 2008 are summarized below (volume and daily production are expressed in Mcf):

FORWARD SALES CONTRACTS

<u>Property</u>	<u>Remaining Contractual Volume</u>	<u>Daily Production</u>	<u>Term</u>	<u>Fixed Price/Mcf</u>
Catalina	335,000	1,000	06/07-05/09	\$5.47
	365,000	1,000	07/07-06/09	\$5.84
	730,000	2,000	07/07-06/09	\$5.69
	488,000	1,000	11/07-10/09	\$5.66
Atlantic Rim	396,000	1,000	08/07-07/09	\$6.15
Pinedale Anticline	365,000	1,000	07/07-06/09	\$6.41
Company Total	2,679,000			

HEDGING INSTRUMENTS

<u>Type of Contract</u>	<u>Remaining Contractual Volume</u>	<u>Daily Production</u>	<u>Term</u>	<u>Fixed Price</u>	<u>Price Index</u>
Future	453,000	3,000	11/08-3/09	\$9.53	NYMEX
Costless Collar	246,000	2,000	5/08-10/08	\$6.50 floor/\$10.00 ceiling	CIG
Costless Collar	453,000	3,000	11/08-3/09	\$6.50 floor/\$13.50 ceiling	CIG
Costless Collar	615,000	5,000	7/08-10/08	\$10.00 floor/\$17.00 ceiling	NYMEX
Costless Collar	755,000	5,000	11/08-3/09	\$10.50 floor/\$20.00 ceiling	NYMEX
Total	2,522,000				

In July 2008, we entered into two fixed price swap contracts for calendar 2009 and 2011 for 8,000 Mcf per day at a CIG price of \$7.34 and \$7.07, respectively. The Company also entered into a basis economic hedge for 5,000 Mcf per day, locking in the basis differential between NYMEX and CIG at \$2.27. This hedge coincides with our NYMEX collar for the period November 2008 through March 2009 and effectively turns our NYMEX collar into a CIG collar.

SUMMARY STATEMENT OF OPERATIONS

(In thousands, except share and per share data)

	Three months ended		Six months ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues				
Oil and gas sales	\$ 12,456	\$ 3,417	\$ 19,252	\$ 8,033
Transportation revenue	723	226	1,087	433
Price risk management activities	440	-	547	-
Other income, net	170	19	219	141
Total revenues	13,789	3,662	21,105	8,607
Expenses				
Lease operating expenses	2,076	1,641	3,092	3,066
Production taxes	1,534	433	2,334	1,000
Pipeline operating expenses	659	45	747	84
Exploration expenses including dry holes	50	118	531	278
Impairment of equipment and properties	-	91	-	91
Total Expenses	4,319	2,328	6,704	4,519
Gross margin	9,470	1,334	14,401	4,088
Gross margin percentage	68.7%	36.4%	68.2%	47.5%
General and administrative	1,302	968	2,209	1,775
Depreciation, depletion and amortization	2,979	1,361	3,994	2,745
Interest expense, net	-	-	64	155
Pre-tax income	5,189	(995)	8,134	(587)
Provision for deferred taxes	(1,916)	488	(2,999)	319
NET INCOME	\$ 3,273	\$ (507)	\$ 5,135	\$ (268)
Preferred stock dividends	931	-	1,862	-
Net income attributable to common stock	\$ 2,342	\$ (507)	\$ 3,273	\$ (268)
Net income per common share:				
Basic	\$ 0.26	\$ (0.06)	\$ 0.36	\$ (0.03)
Diluted	\$ 0.26	\$ (0.06)	\$ 0.36	\$ (0.03)
Weighted average				
shares outstanding:				
Basic	9,152,023	9,141,609	9,150,064	9,080,585
Diluted	9,161,258	9,141,609	9,153,696	9,080,585

SELECTED BALANCE SHEET DATA

(In thousands)

	As of		% Change
	June 30, 2008	December 31, 2007	
Total assets	\$ 113,843	\$ 84,597	35%
Total long-term debt	19,184	3,445	457%
Total stockholders' equity	27,498	28,624	-4%

SELECTED CASH FLOW DATA

(In thousands)

	Six months ended		% Change
	June 30, 2008	June 30, 2007	
Net cash (used in) provided by operating activities	\$ 10,470	\$ 2,582	306%
Net cash used in investing activities	(24,484)	(16,054)	53%
Net cash (used in) provided by financing activities	14,154	12,966	9%

SELECTED OPERATIONAL DATA

	Three months ended			Six months ended		
	June 30, 2008	June 30, 2007	% Change	June 30, 2008	June 30, 2007	% Change
Total production (Mcf)	1,494,147	752,601	99%	2,392,919	1,518,139	58%
Average price realized per Mcfe	\$ 7.71	\$ 4.54	70%	\$ 7.43	\$ 5.29	40%

Use of Non-GAAP Financial Measures

The Company believes that the supplemental presentation of cash flow per share shown below provides meaningful non-GAAP financial measures to help management and investors understand and compare operating results and business trends among different reporting periods on a consistent basis, independently of regularly reported non-cash charges. The Company's management also uses such pro forma measures in its planning and development of target operating models. Readers are cautioned not to view the non-GAAP pro forma results as superior to or an alternative to GAAP results or as being comparable to results reported or forecasted by other companies. Readers should refer to the reconciliation of GAAP results with the pro forma results for the three and six months of 2008 and 2007, respectively, contained below.

Taking into account the effects of the charges detailed in the below reconciliation of GAAP to pro forma results, the Company's pro forma cash flow per share was \$0.66 per diluted share for the three months ended June 30, 2008 and \$.93 per diluted share for the six months ended June 30, 2008. This compared to \$0.05 and \$0.26 pro forma cash flow per diluted share for the three and six months ended June 30, 2007. The increase in cash flow is due primarily to increased production, higher realized prices and cost reductions.

Reconciliation of GAAP Results to Pro Forma Cash Flow per Share Results

(In thousands, except per share data)

	Three months ended		Six months ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Net income as reported under US GAAP	\$ 2,342	\$ (507)	\$ 3,273	\$ (268)
Add back non-cash expenses:				
Stock Option expense	142	102	240	175
Depreciation, depletion and amortization	2,979	1,361	3,994	2,745
Provision for deferred income taxes	1,916	(488)	2,999	(319)
Less non-cash revenue:				
Gain on price risk management (1)	1,370	-	2,022	-
Pro forma net income before non-cash income and expenses	\$ 6,009	\$ 468	\$ 8,484	\$ 2,333
Pro forma cash flow per diluted share	\$ 0.66	\$ 0.05	\$ 0.93	\$ 0.26

(1) Gain on price risk management is an unrealized gain from the Company's NYMEX futures and costless collar derivative instruments. Cash is received upon settlement of the contract, and upon settlement, is recorded in the oil and gas sales line item.

About Double Eagle

Double Eagle Petroleum Co. explores for, develops, and sells natural gas and crude oil, with natural gas constituting more than 95% of its production and reserves. The Company's current major development activities are in its Atlantic Rim coal bed methane play and in the Pinedale Anticline in Wyoming.

This release contains forward-looking statements regarding Double Eagle's future plans and expected performance based on assumptions the Company believes to be reasonable. A number of risks and uncertainties could cause actual results to

differ materially from these statements, including, without limitation, the success rate of exploration efforts and the timeliness of development activities, fluctuations in oil and gas prices, and other risk factors described from time to time in the Company's reports filed with the SEC. In addition, the Company operates in an industry sector where securities values are highly volatile and may be influenced by economic, environmental and other factors beyond the Company's control. Double Eagle undertakes no obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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