

PACE OIL & GAS LTD. EMERGES AS AN EXCITING NEW INTERMEDIATE SIZED, COMMODITY BALANCED, HIGH GROWTH RESOURCE COMPANY WITH THE COMPLETION OF THE PLAN OF ARRANGEMENT BETWEEN MIDNIGHT OIL EXPLORATION LTD. AND PROVIDENT ENERGY TRUST'S OIL AND GAS BUSINESS UNIT

Calgary, Alberta (Marketwire – June 29, 2010) - Midnight Oil Exploration Ltd. (Midnight) (TSX-MOX) today announced the completion of the Plan of Arrangement (the "Arrangement") effecting the merger of Midnight with Provident Energy Trust's ("Provident") upstream oil and natural gas production business to form Pace Oil & Gas Ltd. ("Pace"). The Arrangement was completed by way of a cash payment and share exchange; \$120 million in cash was paid directly to Provident and share consideration of approximately 32.4 million Pace shares (consolidated) issued to Provident unitholders. As part of the Arrangement, Midnight shares were consolidated on the basis of one post-consolidation Pace share for every ten pre-consolidated Midnight shares. After giving effect to the Arrangement, Pace has 40,027,165 common shares issued and outstanding.

At its special meeting of shareholders held on June 28, 2010, Midnight's shareholders approved the Arrangement. Of the shares voted at the special meeting, 99.96% were voted in favor of the adoption of the Arrangement. Provident unitholders also approved the Arrangement at a separate meeting of Provident unitholders on June 28, 2010.

Registered shareholders of Midnight will be mailed Letters of Transmittal on June 30, 2010 for the purposes of exchanging their certificates representing Midnight shares for certificates representing Pace shares after giving effect to the one-for-ten consolidation of Midnight shares pursuant to the Arrangement.

Provident unitholders of record on July 9, 2010 (seven business days after closing) will receive 0.12225 shares of Pace for every unit of Provident held. The ex-distribution date will be July 7, 2010.

Pace shares will be listed on the Toronto Stock Exchange (TSX) under the trading symbol PCE during the week of July 5, 2010. Provident units will continue to be listed on both the TSX and the NYSE under the trading symbols "PVE.UN" and "PVX" respectively.

"With the completion of the Arrangement, Pace will roll out as an exciting new growth oriented intermediate sized oil and gas company with a breadth of both light oil and resource type natural gas opportunities to expand and grow," said Fred Woods, President and CEO "Pace will benefit from a strong balance sheet, a solid production base and free cash flow to exploit the significant oil and gas resource potential identified."

In conjunction with the Arrangement, Pace has closed a \$220 million revolving term credit facility with a syndicate of banks led by Canadian Imperial Bank of Commerce and includes National Bank of Canada, Bank of Montreal, Alberta Treasury Branches and HSBC Bank Canada in its syndicate. The credit facility is secured with a demand debenture of \$500

million over the petroleum and natural gas assets and is subject to semi-annual reviews where the lenders may re-determine the borrowing base. Pace has drawn approximately \$150 million on this facility to close the Arrangement.

This transaction is viewed as a reverse takeover under Canadian generally accepted accounting principles whereby the continuing financial statements will be the "Carve-Out" financials prepared from the oil and natural gas upstream business of Provident. The auditors for Pace will be PricewaterhouseCoopers LLP, the current auditors for Provident.

Pace Oil & Gas Ltd. is a Calgary-based, intermediate oil and gas company that will trade on the Toronto Stock Exchange under the symbol "PCE" and currently trades under the symbol "MOX". Our new website effective June 30, 2010 is www.paceoil.ca. Pace will have production of approximately 13,000 boe/d (34% oil and natural gas liquids), 60 million boe of proved plus probable reserves (43% oil and natural gas liquids) and over 500 identified drilling locations to pursue. Pace is run by the management team of Midnight, led by Mr. Fred Woods, President and CEO of Midnight.

This document contains certain forward-looking statements concerning Pace and its anticipated production, reserves and number of drilling locations, as well as other expectations, plans, goals, objectives, information or statements about future events, conditions, results of operations or performance that may constitute "forward-looking statements" or "forward-looking information" under applicable securities legislation. Such statements or information involve substantial known and unknown risks and uncertainties, certain of which are beyond Pace's control, including the impact of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this news release, assumptions have been made regarding, among other things, commodity prices, operating conditions, capital and other expenditures, project development activities, production, reserves and identified locations.

Although Pace believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Pace can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Pace and described in the forward-looking statements or information.

The forward-looking statements or information contained in this news release are made as of the date hereof and Pace undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

Barrels of Oil Equivalency: Barrels of oil equivalent (BOE's) may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio for natural gas of 6 Mcf:1 bbl has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

For Further Information Please

Contact:

Fred Woods

President and CEO

Phone (403) 303-8505

Email: fwoods@paceoil.ca

or

Judy Stripling

Executive Vice President and CFO

Phone (403) 303-8502

Email: jstripling@paceoil.ca

Corporate Head Office:

1700, 250 –2nd Street SW
Calgary, Alberta T2P 0C1

Phone: (403) 303-8500

Fax: (403) 264-0085

www.paceoil.ca

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