



**MIDNIGHT**

Oil Exploration Ltd.

*Highly Successful Drilling  
Tremendous Multi-Year Light Oil  
& Natural Gas Prospect Inventory*

*Excellent Value and  
Tremendous Potential*

# ***FORWARD LOOKING STATEMENT***

*This disclosure contains certain forward looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond the company'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 foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Midnight's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the company will derive therefrom.*

# ***CORPORATE PROFILE***

<b>TSX Listed and Symbol</b>	MOX
<b>Market Capitalization</b>	+/- \$85 MM
<b>Shares Outstanding</b>	
Basic	47.8 MM
Fully diluted	53.2 MM
<b>Undeveloped Land Base (net acres) March 31, 2007</b>	162,000
<b>Management Ownership</b>	~ 15 %
<b>Q1 2007 Production (boe/d)</b>	2,239
<b>% Oil and NGL</b>	~ 50%

# ***THE MIDNIGHT MODEL***

## ***PROVEN TEAM – EXPERIENCE AND EXPERTISE***

- ◆ Excellent high-end technical team
- ◆ Strong business execution skills

## ***HIGH POTENTIAL AREAS***

- ◆ Focused in multi-zone areas
- ◆ Large, multi-year oil and gas prospect inventory

## ***DELIVERING SOLID RESULTS***

- ◆ Reserve, production and cash flow growth through the drill bit and selective acquisitions

*Excellent Value and Tremendous Potential*

# ***EXCELLENT VALUE***

## ***GROWTH YEAR OVER YEAR – 2006 OVER 2005***

- ◆ Production up – increased 95%
- ◆ Cash flow up – increased 81%
- ◆ Reserves up – increased 31% (P+P)
- ◆ Drilled 33 (17.2 net) wells – 87.8% success rate

## ***GROWTH QUARTER OVER QUARTER – Q1 2007 over Q4 2006***

- ◆ Production up – increased 6%
- ◆ Cash flow up – increased 18%
- ◆ Reserves up – increased 4%
- ◆ Drilled 10 (3.6 net) wells – 100% success rate

# ***TREMENDOUS POTENTIAL***

## **Key Business Drivers to Deliver on Potential**

- ◆ Proven team with excellent business execution skills
- ◆ Large high potential land base
- ◆ Multi-year light oil exploration and development projects
- ◆ Tremendous liquids rich natural gas opportunities

*Balanced Portfolio with Large Land Base*

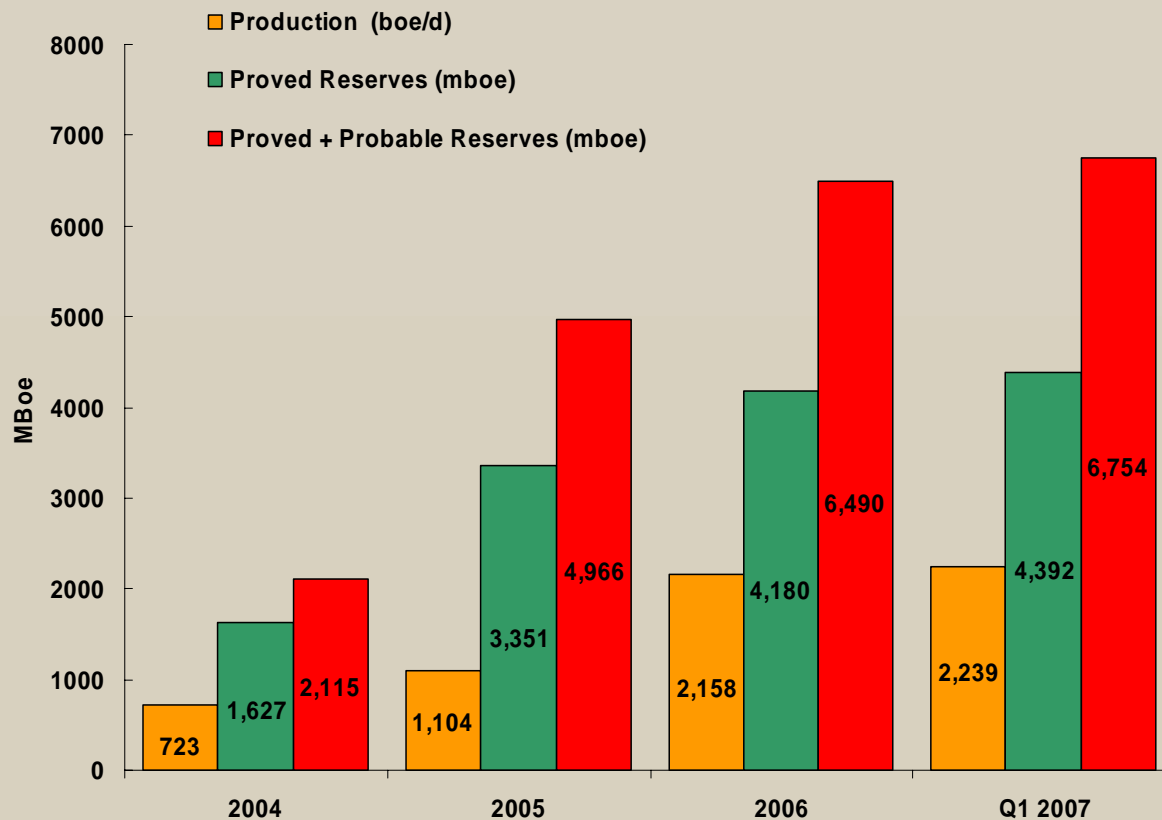
# OPERATING AND FINANCIAL DATA

	2006	2005	% Change	Q1 2007	Q4 2006	% Change
<b>Operations</b>						
Natural Gas (mmcf/d)	7.8	4.7	+ 66	6.9	7.4	- 9
Oil & Liquids (bbls/d)	866	326	+ 166	1,090	890	+ 22
Total Boe/d	2,158	1,104	+ 95	2,239	2,115	+ 6
Wells drilled gross (net)	33 (17.2)	42 (10.8)	+ 59	10 (3.6)	3 (0.5)	+ 620
Gross Land (net) (thousand acres)	508 (201)	521 (209)	- 4	504 (194)	508 (201)	- 3
<b>Financial (000s, except per share)</b>						
Cash flow	21,702	11,967	+ 81	\$5,386	\$4,555	+ 18
per share (diluted)	0.52	0.43	+ 21	\$ 0.11	\$ 0.10	+ 10
Capital expenditures	61,752	28,841	+ 114	12,582	8,652	+ 45
Total assets	152,833	111,171	+ 37	159,594	152,833	+ 4
Net debt	21,974	16,730	+ 31	29,170	21,974	+ 33

*Realizing on Potential*



# SOLID PRODUCTION AND RESERVES



*Compound Annual Growth*  
*Production 65%*  
*Proved Reserves 56%*  
*P+P Reserves 68%*

# ***DRILLING ACTIVITY***

	<b>2007 Q1</b>		<b>2007 Remaining</b>		<b>2007 Budget</b>		<b>2006</b>		<b>2005</b>	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Red Earth</b>	1	1.0	9	5.3	10	6.3	12	8.0	7	2.8
<b>Deep Basin</b>	2	1.0	2	1.5	4	2.5	9	7.4	9	4.8
<b>Beaverlodge</b>	2	1.3	3	0.9	5	2.2	3	1.0	6	1.8
<b>West Central</b>	5	0.3	13	0.8	18	1.1	9	0.8	18	0.7
<b>Other (Pembina)</b>	-	-	1	0.4	1	0.4	-	-	2	0.7
<b>Total</b>	10	3.6	28	8.9	38	12.5	33	17.2	42	10.8

*Highly Successful Drilling Program - Over Half Exploratory Wells*

# EXCELLENT POTENTIAL

## Attributes

Focused in multi-zone high potential areas  
Multi year light oil & liquids rich gas prospect inventory

Total acreage – Peace River Arch and Red Earth

◆ Gross 242,000

◆ Net 171,000

Total acreage – Peace River Arch, Red Earth, West Central

◆ Gross 504,000

◆ Net 194,000

Operated drilling and production

Highly successful program

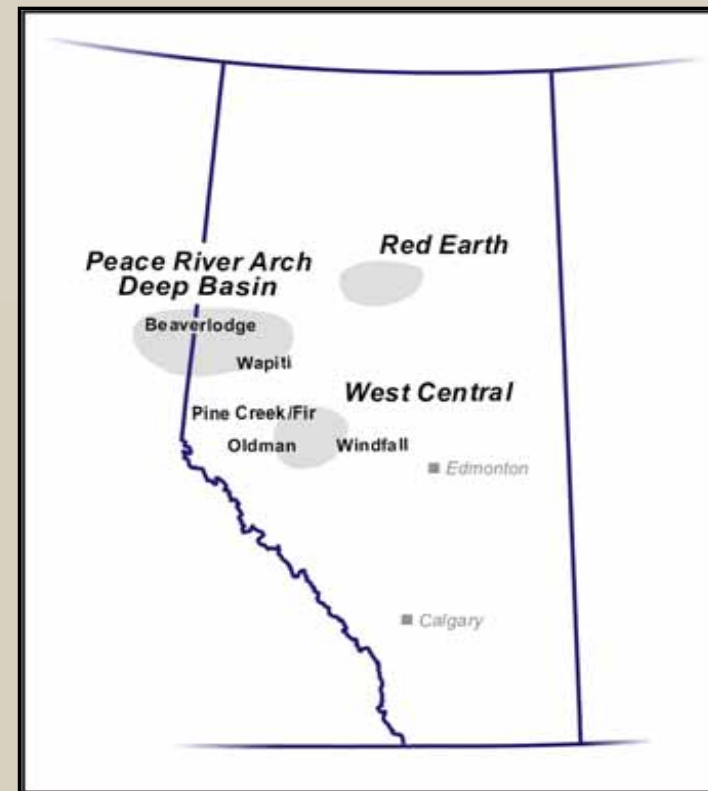
◆ High W.I. - drilling, multiple 3D seismic, pipeline and facilities construction

2007 budget +/- \$30 million

38 Gross (12.5 net) wells

Drilling inventory 135-170 gross wells

## *Tremendous Multi-Year Prospect Inventory*



# RED EARTH AREA

## Attributes

Working Interest: 25-100% (Operated)

Large exploration/development project

High value High netback Light Oil Property

Total acreage

◆ Gross 109,000

◆ Net 79,000

Operated drilling and production

Successful program - 21/21 oil wells

◆ 3D seismic programs, farm-ins, land acquisitions

◆ Pipeline and facilities construction

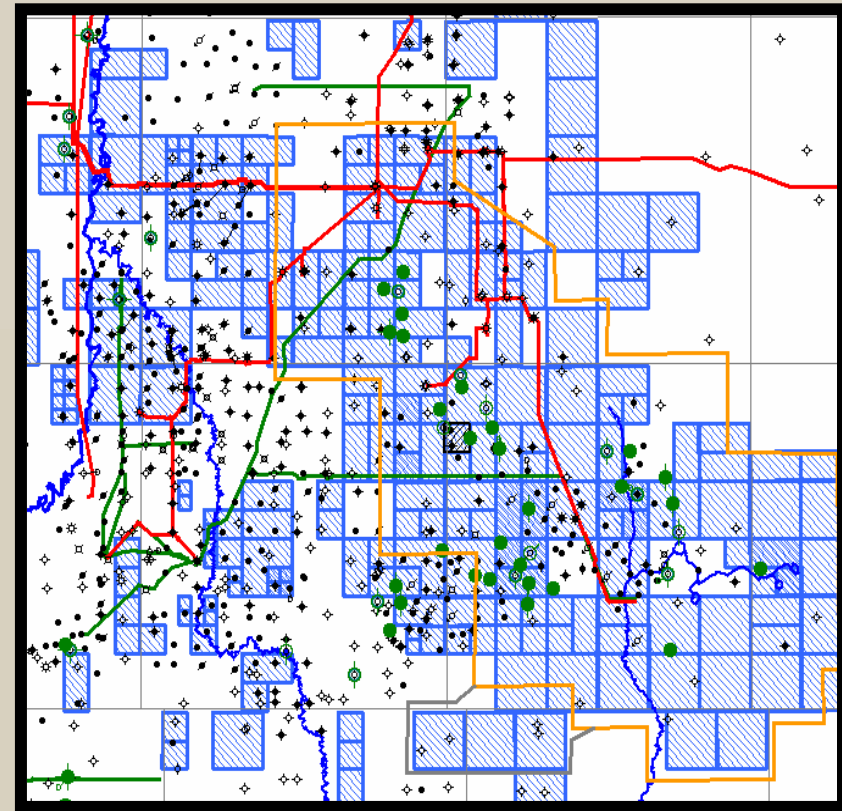
Ongoing waterflood development

2007 budget +/- \$10 million

10 Gross (6.3 net) wells

Drilling inventory 45-55 gross wells

## *High Potential Light Oil Project*



# PEACE RIVER ARCH

## Attributes

Working Interest: 25-100% (Operated)  
Focused high impact multi-zone gas program

Large reserve high productivity

- ◆ 2-4 bcf, 2-5 mmcf/d

Total acreage (Peace River Arch)

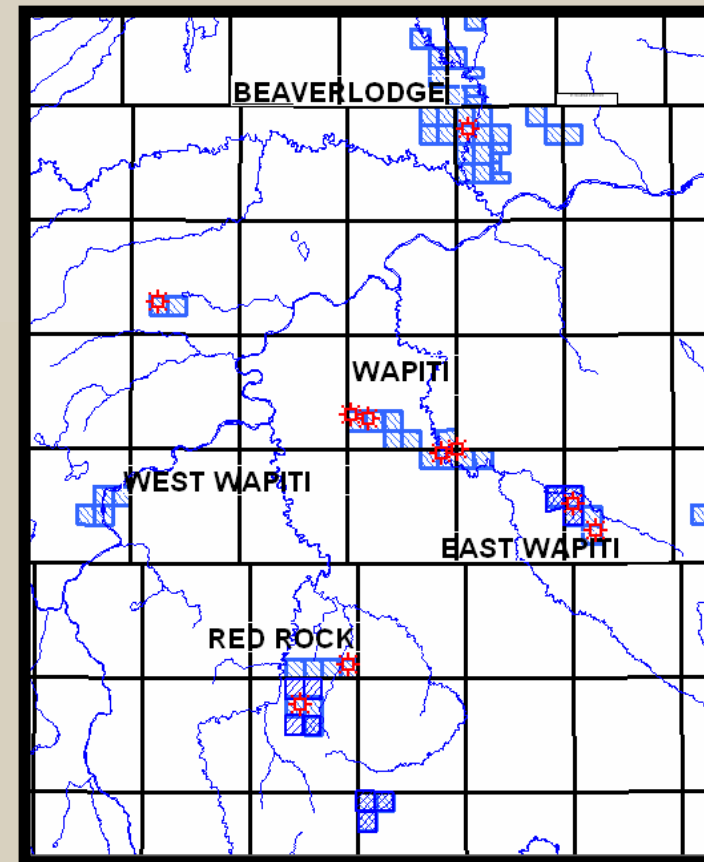
- ◆ Gross 132,000
- ◆ Net 92,000

Highly Successful program

2007 budget +/- \$11.5 million  
9 Gross (4.7 net) wells

Drilling inventory 15-25 gross wells

## *High Potential Multi-Zone Gas Project*



## *2007 Budget*

<b>Area</b>	<b>Inventory</b>	<b>Gross Wells</b>	<b>Net Wells</b>	<b>2007 Total Capex \$MM</b>
<b>Red Earth</b>	45-55	10	6.3	\$ +/- 10.0
<b>Peace River Arch</b>				
<b>Deep Basin</b>	10-15	4	2.5	\$ +/- 8.0
<b>Beaverlodge</b>	5-10	5	2.2	\$ +/- 3.5
<b>West Central</b>	75-85	18	1.1	\$ +/- 4.0
<b>Other</b>	1-5	1	0.4	\$ +/- 1.5
<b>Land &amp; Seismic</b>				\$ +/- 3.0
	135-170	38	12.5	\$ +/- 30.0

*High Potential Multi-Year Light Oil and Liquids Rich Gas Drilling Program*

# LAND BASE

Area	Developed		Undeveloped		Total	
	Gross	Net	Gross	Net	Gross	Net
	<i>(acres)</i>		<i>(acres)</i>		<i>(acres)</i>	
Red Earth	15,000	11,000	94,000	68,000	109,000	79,000
Peace River Arch	21,000	12,000	112,000	80,000	133,000	92,000
West Central Area	154,000	9,000	108,000	14,000	262,000	23,000
<b>Total WCSB</b>	<b>190,000</b>	<b>32,000</b>	<b>314,000</b>	<b>162,000</b>	<b>504,000</b>	<b>194,000</b>

\* *Acreege as at March 31, 2007*

*Large Undeveloped Land Holding with Large Prospect Inventory*

# *SUMMARY AND HIGHLIGHTS*

## **Midnight Business Model Delivers Results – Growth and Potential**

- ◆ High-end technical team generates successful drilling
- ◆ Executes business strategy adds value and opportunities

## **Solid Growth Year over Year – *Quarter over Quarter***

- ◆ Production up – increased 95% - **up 6%**
- ◆ Cash flow up – increased 81% - **up 18%**
- ◆ Reserves up – increased 31% (P+P) - **up 4%**
- ◆ Drilled 33 (17.2 net) wells – 87.8% success rate

## **Excellent Potential**

- ◆ Large high potential land base
- ◆ Risk balanced – commodity balanced prospect inventory
- ◆ Tremendous multi-year light oil prospect inventory
- ◆ Tremendous liquids rich natural gas opportunities

# ***CORPORATE INFORMATION***

## **OFFICERS**

**Fred Woods**  
President & CEO

**Judy Stripling**  
Executive VP & CFO

**Chad Kalmakoff**  
VP, Finance

**C. Donald Leitch**  
VP, Operations

**Thomas F. Moslow**  
Senior VP, Exploration

**Peter O'Leary**  
VP, Geology

**Martin Saizew**  
VP, Engineering

**Andrew D. Weldon**  
VP, Business Development

**Chris von Vegesack**  
Corporate Secretary

## **DIRECTORS**

Jay D. Squiers  
Tom J. Medvedic  
Peter T. Harrison  
Fred N. Woods (Chairman)  
Anthony M. Lambert

## **CORPORATE OFFICE**

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Website: [www.midnightoil.ca](http://www.midnightoil.ca)

## **TSX LISTING**

Trading Symbol: MOX

## **CONTACTS**

Fred Woods, President & CEO  
Judy Stripling, Exec. VP & CFO

## **BANK**

Canadian Imperial Bank of  
Commerce

## **LEGAL COUNSEL**

Burnet, Duckworth & Palmer LLP

## **AUDITORS**

KPMG LLP

## **RESERVE ENGINEERS**

GLJ Petroleum Consultants

## **TRANSFER AGENT**

Valiant Trust Company