

*Proven Exploration Team
with Expanded High Potential
Prospect Base*

February 2005



MIDNIGHT

Oil Exploration Ltd.



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.



Introduction – Overview

- ◆ ***Exciting high growth junior exploration company***
 - ◆ *Proven high end technical expertise and business execution skills*
 - ◆ *Focused in two high potential multi-zone natural gas areas*
 - *Peace River Arch and West Central area*
- ◆ ***Ongoing drilling success and continued strong momentum***
 - ◆ *Successful deep gas driller with large development & exploration prospect inventory*
 - ◆ *Top quality property base and strong netbacks from owned infrastructure*
- ◆ ***Tremendous growth potential from exploration and development***
 - ◆ *Expanded prospect inventory on large undeveloped base*
 - ◆ *Development prospects are the foundation for high potential exploration*



Overview of Midnight Oil Exploration *Corporate Profile*

TSX Listed And Symbol -		MOX
Shares Outstanding - (MM) - Basic		26.3
- Diluted		28.7
Average Daily Volume		125,000
Market Capitalization		over \$100MM
Insiders Ownership		23.5%
2005 Production (boe/d) <i>80% gas</i>		1,725
Forecasted Cash flow (MM)*		\$12.6
2005 Capital Budget (MM)*		\$25-30
Land Holdings	Gross	Net
Developed	22,000	6,400
Undeveloped	172,750	128,000

*Cash flow and expanded budget using GLJ prices: WTI US\$42.00/bbl, AECO C\$6.60/mcf, US\$/C\$0.82



The Midnight Plan

- ◆ **Business Strategy – Proven People - Proven Results**
 - ◆ *Build a competitive edge based on a team with high end technical expertise and business execution skills focused in two multi-zone high potential natural gas areas*
- ◆ **Growth Strategy – Risk Balanced Portfolio**
 - ◆ *Build a portfolio of development and exploitation drilling with a high potential exploration program and strategic acquisitions timed to opportunities*
- ◆ **Quality Property Base – Low Cost Structure**
 - ◆ *Build a production base of high productivity, large reserve natural gas properties with low operating costs – consistently delivering high netbacks*
- ◆ **Large Prospect Inventory – Upside Potential**
 - ◆ *Build a large natural gas prospect inventory with large undeveloped land inventory in our two high potential multi-zone areas*

***“Building Blocks of Growth
People, Portfolio, Properties, Potential”***

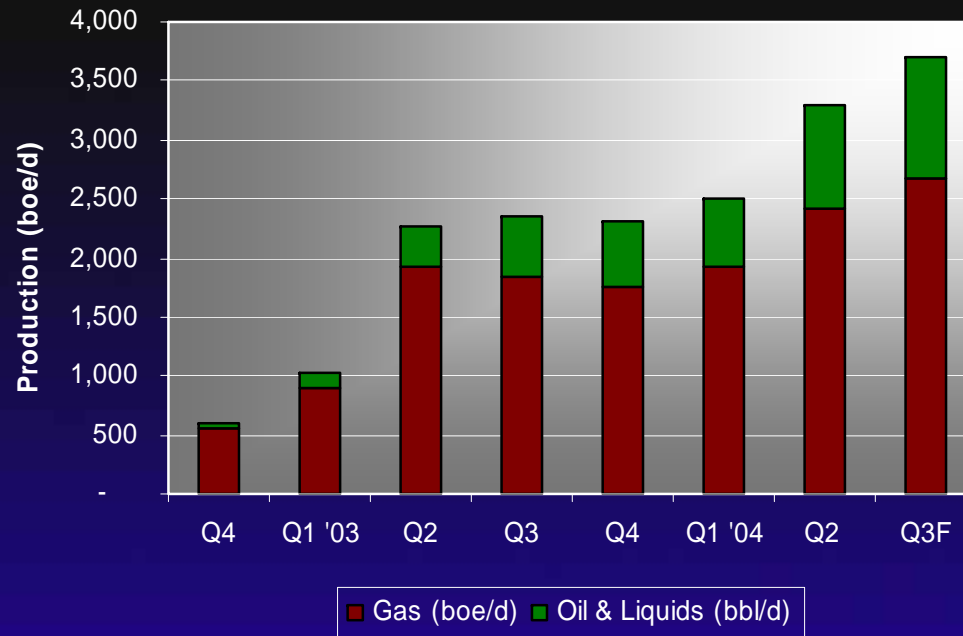


Proven Results

Midnight Oil & Gas Q3 Results

Solid Production Growth & Strong Netbacks

Quarterly Production



3rd Quarter results

Top Decile Netbacks*	Q3
Production Revenue (Per Boe)	\$39.88
Total Royalty	\$9.21
Operating Costs	\$6.03
Operating Netbacks (Per Boe)	\$24.64
Other Cash Costs	\$1.18
Cash Flow Netback (Per Boe)	\$23.46
Q3 Production	3,740
Cash Flow	\$8.1MM

**Iradesso Communications data*

Investment in infrastructure delivers low operating costs and strong netbacks

"Continued Excellent Drilling Results – 2004 – 40/43 – YTD 4/4 (94%)"



Midnight Plan Delivers Growth

Risk Balanced Portfolio with Strategic Acquisition

	<u>MOG*</u> <u>CAGR</u>	<u>With Vintage</u> <u>2005E</u>
Reserves (<i>P+PA</i>) <i>up 157% to 9,324 mboes</i>	90%	511%
Reserves per share	32%	150%
Production <i>up 530% to 3,750 boe/d</i>	303%	1,458%
Production per share	162%	495%
Cash flow <i>up 517% to \$8,074M</i>	295%	1,143%
Cash flow per share	212%	463%
Undeveloped land <i>up 338% to 92,000 acres</i>	193%	1,594%
Undeveloped land per share	95%	545%

***MOG CAGR - Compound Annual Growth Rate (Q4/02 – Q3/04)**

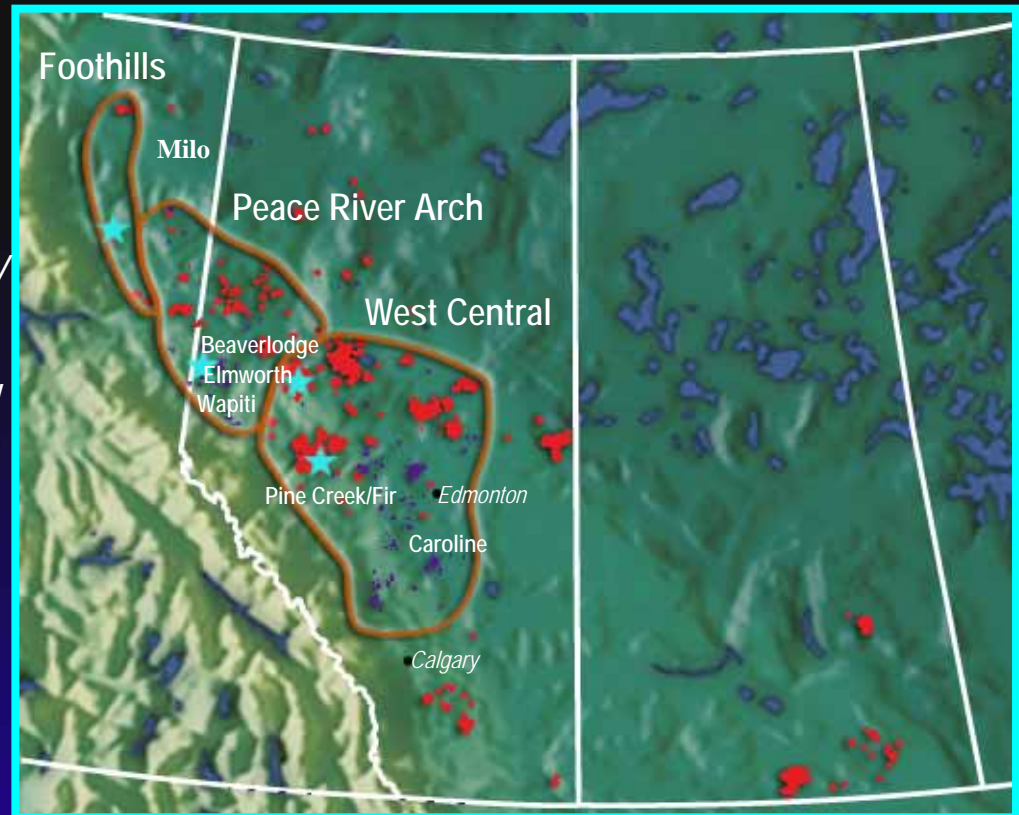
"Midnight Oil Share Price – Up 159% to \$11.65 – 75% CAGR"

** Based on Nov. 27, 2002 private placement of \$4.50 /share*



Midnight Oil Exploration

- ◆ **Focused in high potential multi-zone areas**
 - ◆ *"Deep Basin" type gas trap*
 - ◆ *Large long life natural gas reserves*
 - ◆ *Vintage under funded prospect inventory*
- ◆ **Barriers to entry reduce competition**
 - ◆ *Technically challenging/high cost drilling areas*
 - ◆ *Tremendous upside to unlock:*
- ◆ **Large prospect inventory**
 - ◆ *In-house geological/geophysical database - 5,000 core/50,000 km*
 - ◆ *Multi-year development/ exploitation/ exploration program*



"Tremendous Opportunities For Years Of Growth"



Midnight Oil Exploration *Highlights*

- ◆ **Solid natural gas weighted production base**
 - ◆ *750 boe/d – 3.6 mmcf/d – 150 bpd (78% gas)*
 - ◆ *1,295 mboe of proved plus probable reserves*
- ◆ **Large high potential prospect inventory**
 - ◆ *Focused in high potential multi-zone natural gas areas*
 - ◆ *Undeveloped land base consisting of 130,000 acres*
 - ◆ *Additional farmin lands of 20,000 acres in B.C. lands.*
- ◆ **Access to strategic infrastructure**
 - ◆ *Sour infrastructure in Peace River Arch & West Central*
 - ◆ *Pipeline & facilities in BC Foothills*
- ◆ **Risk balanced capital program of \$25-30 million**
 - ◆ *Exploration program in Peace River Arch and BC Foothills*
 - ◆ *Development drilling focused in West Central at Pine Creek*
- ◆ **Significant inventory of high impact, multi-zone opportunities**



Midnight Oil Exploration

Key Areas

Midnight's proven track record and technical expertise within:

💧 **Peace River Arch Area**

- 💧 *Triassic Play Fairway – Multi-well exploration program*
- 💧 *Wapiti, Elmworth - Multi-zoned Cretaceous gas*

💧 **West Central Area, Alberta**

- 💧 *Pine Creek Block – Multi-well development joint with Daylight*
- 💧 *Caroline/Ricinus – Ongoing exploration program*
- 💧 *Pembina Nisku – High impact prospect*

💧 **NEBC and Foothills**

- 💧 *Milo, B.C. – High impact exploration farmin*

"Significant Exploration Potential On Undeveloped Lands "

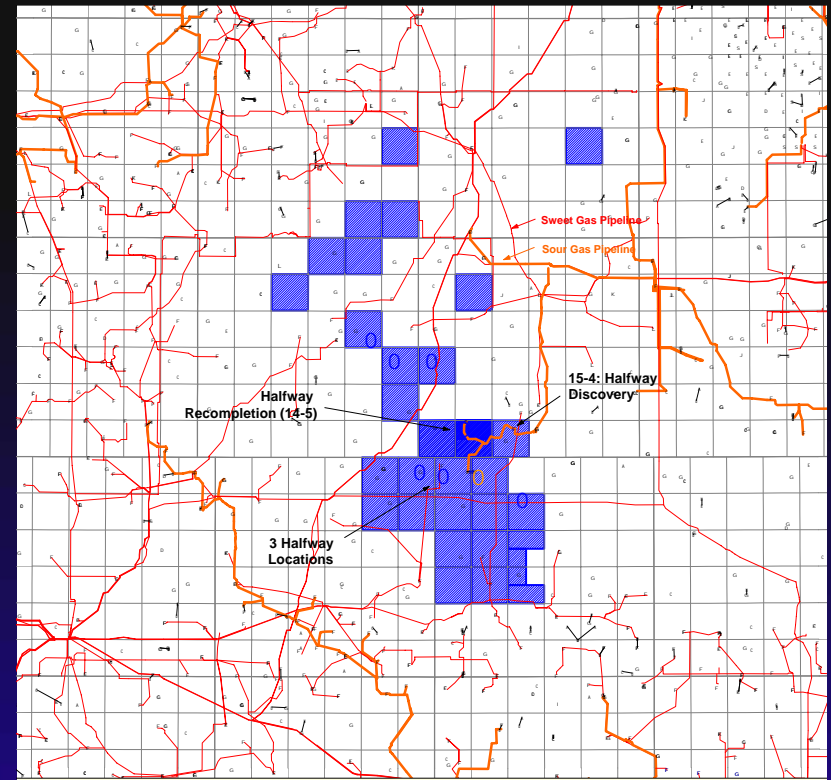




Midnight Oil Exploration Core Areas

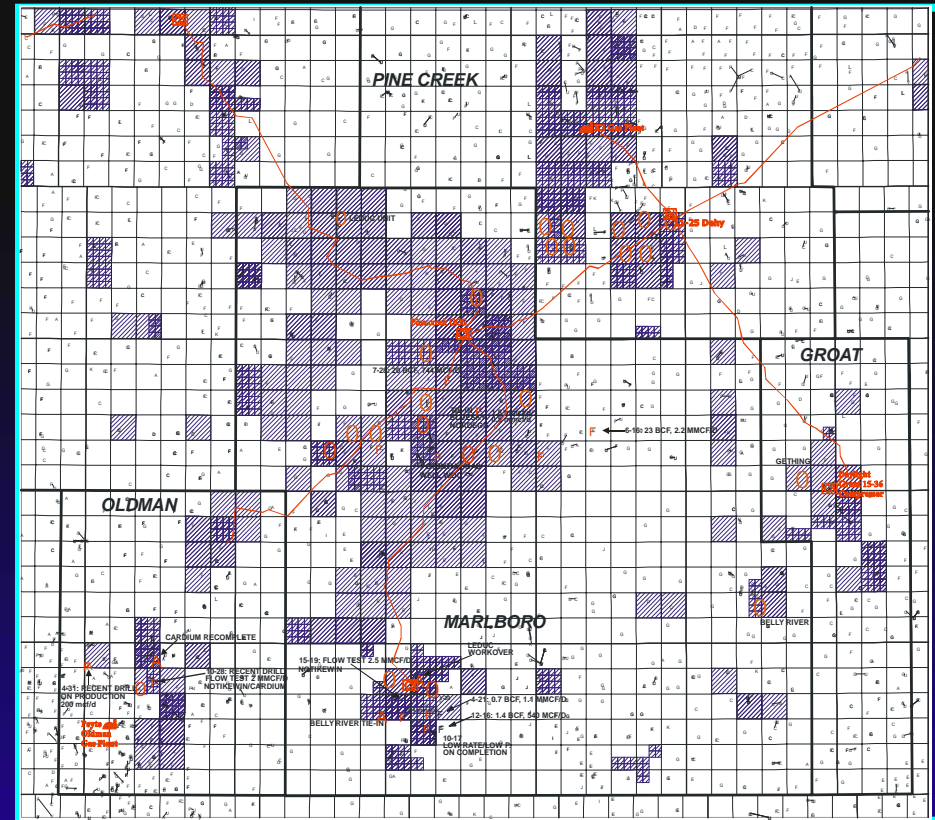
Triassic Play Fairway

- ◆ Long-term experience and exploration success throughout this fairway
- ◆ Initial high impact success delivers high rate large reserve discovery (6 mmcf/d / 6+bcf)
 - ◆ *Multiple play types throughout high potential multi-zone areas – Beaverlodge, Wapiti*
 - ◆ *Recent success - 2+mmcf/d (35% WI)*
- ◆ Access to sour facilities and infrastructure connecting to CAMS
 - ◆ *Additional prospects in fairway*
- ◆ 2005 Capex Program
 - ◆ *Well completion, re-completion and tie-in of existing wells*
 - ◆ *Multi-zone, multi-well exploration and development program*
 - ◆ *Acquire available Crown expand land base*



Midnight Development Prospect Inventory Areas *Pine Creek/Oldman*

- Midnight technical team experienced with exploration, development, exploitation and production operations in this multi-zone liquid rich oil and gas production area
- Opportunities identified for well recompletions, production optimization, infill and low risk development drilling
- Existing ownership in significant facilities and infrastructure
- Capex Program -
 - Development and Infill drilling
 - Pine Creek – Bluesky, Cadomin, Nordegg
 - Fir - Jackfish – Gething, Cadomin
 - Oldman – Cardium, Notikewan





Midnight Oil Exploration Ltd.

2005 Budget

Area	Gross Wells	Net Wells	2005 Total Capex \$M
West Central	30	10	\$ 8,500
Peace River Arch	13	9	\$ 10,000
Foothills	2	1	\$ 1,500
Base Budget	45	20	\$ 20,000
Expanded Program	10	5	\$ 5,000
Total Program	55	25	\$ 25,000

* Expanded budget based on cash flow \$12.6MM, bank line \$8.0MM & private placement \$7.0MM





Summary & Highlights

- ◆ **Tremendous Opportunity with proven team**
 - ◆ *Match experience and expertise with large land base, prospect inventory*
 - ◆ *Focused opportunity base in high potential multi-zone areas*
- ◆ **Midnight business plan delivers excellent results**
 - ◆ *High end team generates opportunities executes strategy*
 - ◆ *Experienced with similar assets adding value*
- ◆ **Expanded land base and prospect inventory**
 - ◆ *Vintage exploration under funded the past 2 years*
 - ◆ *Tremendous upside from identified exploration and exploitation opportunities*
- ◆ **Excellent opportunity from new high potential entity**
 - ◆ *Midnight Oil Exploration – Large prospect inventory in high potential areas*

"Prospect Rich High Potential Proven Junior Explorer"





TSX:MOX



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