



MIDNIGHT

Oil Exploration Ltd.

PRESS RELEASE
FOR IMMEDIATE RELEASE

Calgary, Alberta, March 20, 2009

**MIDNIGHT OIL EXPLORATION LTD. ANNOUNCES
\$9.5 MILLION BOUGHT DEAL FINANCING**

Midnight Oil Exploration Ltd. ("Midnight") (TSX: MOX) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Cormark Securities Inc. pursuant to which the underwriters have agreed to purchase 8,000,000 common shares ("Common Shares") at an issue price of \$0.77 per Common Share and 3,500,000 common shares issued on a "flow through" basis ("Flow-Through Common Shares") at an issue price of \$0.94 per Flow-Through Common Share for gross proceeds to Midnight of approximately \$9.5 million (the "Offering").

The Offering is scheduled to close on or about April 9, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

Proceeds of the Offering will be used to fund Midnight's exploration and development program with gross proceeds from the sale of the Flow-Through Common Shares used to fund ongoing exploration activities eligible for Canadian exploration expenses which will be renounced in favour of the subscribers of the Flow-Through Common Shares effective on or before December 31, 2009. The Common Shares and the Flow-Through Common Shares will be offered in certain provinces of Canada by way of a short form prospectus.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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Reader Advisory:

This news release contains certain forward-looking statements, which may include assumptions with respect to (i) production; (ii) future capital expenditures; (iii) funds from operations; (iv) cash flow; and (v) debt levels. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Midnight's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, 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 achievements 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, what benefits, including the amount of proceeds, that Midnight will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Midnight or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Midnight does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release.