



MIDNIGHT

Oil Exploration Ltd.

PRESS RELEASE

CALGARY, ALBERTA--(Marketwire - September. 30, 2009)

MIDNIGHT OIL EXPLORATION LTD. COMPLETES 17.6 MILLION BOUGHT DEAL FINANCING

Midnight Oil Exploration Ltd. ("**Midnight**" or the "**Company**") (TSX:MOX) is pleased to announce that it has closed its previously announced offering (the "**Offering**") of 10,600,000 common shares at an issue price of \$0.95 per common share and 6,850,000 common shares issued on a "flow-through" basis at an issue price of \$1.10 per flow-through share for aggregate gross proceeds of approximately \$17.6 million. The Offering was led by Cormark Securities Inc. and included GMP Securities L.P., National Bank Financial Inc., FirstEnergy Capital Corp. and Acumen Capital Finance Partners Limited. 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.

After giving effect to the Offering, Midnight has 75,335,129 common shares issued and outstanding.

Midnight is a Calgary based, junior energy company primarily focused on natural gas exploration, development and production in the Deep Basin portion of northwest Alberta and light oil in Red Earth, Alberta. Its common shares trade on the TSX under the symbol "MOX".

The common shares offered have not and will not be registered under the United States 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 will 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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ADVISORY

Certain information set forth in this press release, including management's assessment of the future plans and operations, future production volumes and production on-stream dates, royalty savings under the Alberta royalty incentive program, future cash flow, future return on investment, and the use of the proceeds from the financing may constitute forward-looking statements under applicable securities laws. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Midnight's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, economic changes, the effects of weather, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Midnight could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance 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 that Midnight will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect Midnight's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com. Furthermore, Midnight disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

Barrels of Oil Equivalency: Barrels of oil equivalent ("boe") 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.

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