



OCTOBER 16, 2007

MIDNIGHT OIL EXPLORATION LTD. ANNOUNCES NORMAL COURSE ISSUER BID

CALGARY, ALBERTA - (TSX - MOX) Midnight Oil Exploration Ltd. (the "Corporation" or "Midnight") is pleased to announce that the Toronto Stock Exchange (the "TSX") has accepted its notice to make a normal course issuer bid (the "Bid") to purchase, from time to time, as it considers advisable, up to 4,320,826 of its 47,827,829 currently issued and outstanding common shares (being no greater than 10% of the public float, which public float as at October 15, 2007 is 43,208,267 common shares) on the open market through the facilities of the TSX. In accordance with the rules of the TSX governing normal course issuer bids, the total number of shares the Corporation is permitted to purchase is subject to a daily purchase limit of 15,298 common shares representing 25% of the average daily trading volume of Midnight common shares on the TSX calculated for the six month period ended September 30, 2007 in accordance with the TSX rules, provided however that Midnight may make one block purchase per calendar week which exceeds the daily repurchase restriction subject to the maximum annual limit of 10% of the public float. The price that the Corporation will pay for any common shares acquired under the Bid will be the prevailing market price on the TSX at the time of such purchase. Common shares acquired under the Bid will be cancelled.

The Bid will commence on October 17, 2007 and will terminate on October 16, 2008 or such earlier time as the Bid is completed or terminated at the option of the Corporation.

Midnight, believes that from time to time the market price of the Midnight common shares may not reflect their underlying value and that, at such times, the purchase of common shares for cancellation will increase the proportionate interest of, and be advantageous to, all remaining shareholders. In addition, the purchases by the Corporation under the Bid may increase liquidity to the Corporation's shareholders wishing to sell their common shares.

Midnight is a publicly listed junior oil and gas exploration and development company based in Calgary, Alberta. Midnight's shares trade on the TSX under the symbol "MOX".

FOR FURTHER INFORMATION PLEASE CONTACT EITHER OF:

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The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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