



MIDNIGHT

Oil Exploration Ltd.

PRESS RELEASE
MIDNIGHT OIL EXPLORATION LTD. ANNOUNCES CLOSING OF
\$48 MILLION EQUITY FINANCING AND PROVIDES CORPORATE PRESENTATION

Calgary, Alberta, October 6, 2005 - Midnight Oil Exploration Ltd. ("Midnight") (MOX – TSX) is pleased to announce today that it has completed its previously announced subscription receipt financing of 12,000,000 Subscription Receipts, including the exercise in full of the underwriters' over-allotment option, each entitling the holder thereof to receive one common share of Midnight at an issue price of \$4.00 per subscription receipt, resulting in gross proceeds to Midnight of \$48,000,000. The Subscription Receipts were sold through a syndicate of underwriters co-led by GMP Securities Ltd. and Sprott Securities Inc., and included Canaccord Capital Corp., CIBC World Markets Inc., FirstEnergy Capital Corp. and MGI Securities Inc.

Each Subscription Receipt will entitle the holder to receive one common share of Midnight upon the closing of the previously announced Red Earth property acquisition. The proceeds of the Subscription Receipt Offering will be held in escrow pending completion of the property acquisition. As currently structured, it is intended that Midnight will acquire the Red Earth property from Tempest Energy Corp. effective October 1, 2005 for a purchase price of \$46 million (subject to closing adjustments) and this acquisition will occur prior to the previously announced acquisition of the outstanding shares of Tempest Energy Corp. by Daylight Energy Trust which is expected to close on or about November 30, 2005. If Midnight does not acquire the Red Earth properties by December 30, 2005, holders of the Subscription Receipts will be entitled to a return of their full subscription price and their pro-rata entitlement to the interest earned on the escrowed funds.

Midnight is pleased to provide its most recent corporate presentation which is available on our website at www.midnightoil.ca.

Forward-Looking Statements

Certain information set forth in this press release, including management's assessment of the future plans and operations of Midnight, contains forward-looking statements. 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, 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. 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.

Midnight Oil Exploration Ltd. is a crude oil and natural gas exploration and production company headquartered in Calgary, Alberta, Canada. Its common shares trade on the TSX under the symbol "MOX".

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