



Midway Releases 1st Quarter 2010 Results

CALGARY, ALBERTA (May 5, 2010) – Midway Energy Ltd. (“Midway” or the “Company”) (TSX – “MEL”) is pleased to announce its financial and operating results for the first quarter ended March 31, 2010.

Highlights of the First Quarter

- Closed two previously announced acquisitions in Garrington increasing the Company’s position in the Cardium light oil play to over 43 net sections of contiguous rights and 100 percent ownership of an oil battery and truck terminal that provides necessary take-away capacity for Midway’s crude oil volumes associated with our drilling program;
- Drilled 4 operated (3.4 net) Cardium horizontal wells, two of which commenced production in the second quarter;
- Increased oil weighting to 52 percent from 36 percent in Q4 2009 and management expects this trend to continue to increase quarter over quarter;
- Continued to improve production results while reducing drilling and completion costs;
- Revenue for the quarter increased to \$6.3 million, an increase of 70 percent over the fourth quarter of 2009, which generated funds from operations for the period of \$2.5 million; and
- Midway’s credit facility was increased to \$40 million, providing additional capital to supplement Midway’s expected funds from operations for the year to finance the Company’s remaining 2010 capital expenditure program.

Corporate Highlights

(\$ 000's, except operational and share and per share amounts)	Q1 2010	Q4 2009	Q1 2009
Petroleum and natural gas revenue	6,269	3,682	2,978
Funds from operations	2,525	82	590
Basic and diluted per share	0.04	0.00	0.04
Net earnings (loss)	(891)	(2,318)	137
Basic and diluted per share	(0.01)	(0.04)	0.01
Working capital (deficiency) ⁽¹⁾	(7,416)	(8,383)	356
Bank debt	20,443	4,155	13,024
Capital expenditures	21,180	37,661	488
Total assets	130,217	111,211	60,290
Weighted average shares			
Basic and diluted (000's)	62,236	55,855	13,405
Common shares outstanding			
Basic (000's)	62,370	61,445	13,405
Diluted (000's)	65,370	64,445	14,674
Average production:			
Natural gas (mcf/d)	4,417	3,783	5,076
Oil and NGL's (bbl/d)	630	321	189
Oil equivalent (boe/d 6 : 1)	1,366	951	1,035
Average realized prices:			
Natural gas (\$/mcf)	5.02	4.57	4.79
Oil and NGL's (\$/bbl)	75.08	70.09	46.58
Oil equivalent (boe/d 6 : 1)	50.84	41.79	31.96
Netback (\$/boe)			
Petroleum and natural gas revenue	50.84	41.79	31.96
Royalties	5.93	3.94	5.77
Operating expenses	15.82	16.79	13.26
Operating netback	29.09	21.06	12.93

(1) Excludes the fair value of financial instruments and the current portion of bank debt.

Message to Shareholders

The focus of the new management team is to grow the Company into an oil-weighted entity through the development of repeatable, low risk drilling opportunities. Our goal is to continually add to the base of low risk drilling opportunities while simultaneously adding oil production through the development of our assets.

During the first quarter of 2010, Midway continued its program at Garrington, drilling 4 gross (3.4 net) horizontal oil wells for a total of seven (6.1 net) wells drilled in the Cardium to date. Five of the wells commenced production in the first quarter of 2010 while the final two wells commenced production in April, 2010.

Midway is encouraged by the early production results with average first month production of 255 barrels of oil equivalent per day ("boepd") for the 7 wells, exceeding our internal forecast. In addition, the production results are showing an upward trend as Midway continues to improve the drilling, completion and production techniques for the Garrington Cardium wells.

Management is also pleased with the lower costs we are experiencing in the execution of our drilling program. The first three wells drilled in the fourth quarter of 2009 were drilled and completed for an average cost of \$2.5 million per well. The average horizontal length for these wells was 925 meters and they were completed with an average of 9 fracs per well. The four wells drilled in the first quarter of 2010 were drilled and completed at an average cost of \$2.3 million. These costs decreased despite the fact that the average horizontal length for these four wells increased to 1,200 meters and an average of 12 fracs were placed per well.

The Company's 2010 capital budget is unchanged from previous guidance and Midway anticipates drilling a total of 12 gross operated wells in Garrington and participating in several lower working interest, non-operated opportunities in the area. Management expects that capital expenditures in 2010 (including acquisitions in the first quarter) will be approximately \$39 to \$41 million, focused on acquisitions, development drilling and facilities in Garrington. These capital expenditures are expected to result in exit production of 2,200 to 2,300 boepd (65 percent weighted to crude oil and NGLs) for 2010. Average production for the year is expected to generate approximately \$22 to \$24 million of funds from operations using estimated prices for crude oil of US\$80 per barrel WTI and CAD\$4.75 per GJ at AECO for natural gas.

On behalf of the Board of Directors

"M. Scott Ratushny"

M. Scott Ratushny
Chairman and Chief Executive Officer

Forward-looking Statements

This news release contains forward-looking statements relating to the Company's plans and other aspects of the Company's anticipated future operations, management focus, strategies, financial and operating results and business opportunities. Forward-looking statements typically use words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. In particular, this press release contains forward-looking statements relating, but not limited to:

- Midway's planned 2010 capital expenditure program, capital projects and operational initiatives and the funding thereof;
- expectations regarding the Company's ability to develop repeatable, low risk drilling opportunities;
- plans to continually add to the Company's base of low risk drilling opportunities and to add oil production;
- expectations regarding the Company's ability to continue to reduce drilling costs in the execution of its Garrington drilling program and in its other operating areas;
- drilling and development plans and the timing of drilling, completion and tie-in of wells;
- plans to pursue additional acquisitions in the Garrington area;
- future operating cost reductions;
- anticipated exit and average production rates and production mix, including performance characteristics of Midway's oil and natural gas properties;
- anticipated funds from operations for 2010 and average realized commodity prices;
- Midway's business strategy, plans and management focus;
- access to sufficient debt and equity capital;
- Midway's asset base and future prospects for development and growth;
- expectations regarding the business environment, industry conditions and future commodity prices.

These forward-looking statements are based on various assumptions including: the outlook for petroleum and natural gas prices; estimated amounts and timing of capital expenditures; the timing, location and extent of future drilling operations; anticipated timing and results of capital expenditures; estimates of future production and operating costs; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; future exchange and interest rates, Midway's ability to obtain equipment in a timely manner to carry out development activities; impact of increasing competition; ability to market oil and natural gas successfully and the ability of Midway to access capital. While Midway considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties and other factors that contribute to the possibility that the predicted outcome will not occur, including, 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; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; general economic conditions in Canada, the U.S. and globally; and ability to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although Midway believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and you should not unduly rely on forward-looking statements. The forward-looking statements contained in this news release are made as the date of this new release and the company 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.

Non-GAAP Financial Measures

Midway uses the following terms for measurement within this press release that do not have a standardized prescribed meaning under Canadian generally accepted accounting principles (GAAP) and these measurements may not be comparable with the calculation of similar measurements of other entities.

The terms "funds from operations" and "operating netback" in this press release are not recognized measures under GAAP. Management believes that in addition to net earnings and cash flow from operating activities as defined by GAAP, these terms are useful supplemental measures to evaluate operating performance and assess leverage. Users are cautioned; however, that these measures should not be construed as an alternative to net earnings or cash flow from operating activities determined in accordance with GAAP as an indication of Midway's performance.

Midway considers funds from operations to be an important measure of the Company's ability to generate the funds necessary to finance capital expenditures and repay debt. Funds from operations is described in the Company's Managements' Discussion and Analysis for the three months ended March 31, 2010 and is based on cash provided by operating activities before the change in non-cash working capital and actual asset retirement expenditures. Midway believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and as such may not be useful for evaluating Midway's operating performance. Operating netback is described in the Company's Managements' Discussion and Analysis for the three months ended March 31, 2010 and is determined by deducting royalties and operating expenses from petroleum and natural gas revenues. Midway's method of calculating funds from operations and operating netback may differ from that of other companies and, accordingly, may not be comparable to measures used by other companies.

51-101 Advisory

In conformity with National Instrument 51-101, Standards for Disclosure of Oil and Gas Activities ("NI 51-101"), natural gas volumes have been converted to barrels of oil equivalent using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. **Readers are cautioned that the term "boe" may be misleading, particularly if used in isolation.**

Filings

Midway has filed with Canadian securities regulatory authorities its unaudited financial statements for the quarter ended March 31, 2010 and the accompanying Managements' Discussion and Analysis ("MD&A"). These filings are available under Midway's SEDAR profile at www.sedar.com and our website at www.midwayenergy.com.

Information Regarding Midway

Midway Energy Ltd. is a public oil and gas exploration and development company, located in Calgary, Alberta with operations in Alberta and British Columbia. Midway currently trades on the Toronto Stock Exchange (TSX) under the Symbol "MEL".

Further Information

For further information regarding Midway Energy Ltd. please contact:

Scott Ratushny
Chairman and Chief Executive Officer

Ken Frankiw
President

Telephone: (403) 216-2705