



MIDWAY PROVIDES OPERATIONAL UPDATE

CALGARY, ALBERTA (January 11, 2010) – Midway Energy Ltd. (“Midway” or the “Company”) (TSX – “MEL”) is pleased to provide its shareholders with an operational update on its activities in Garrington and Cypress.

Garrington Cardium

Midway drilled three (2.7 net) operated Cardium horizontal wells in the fourth quarter of 2009 and participated in the drilling of one (22.5% working interest) non-operated Cardium horizontal well. Two of the operated wells were fraced in the fourth quarter and the third was fraced in the first week of January, 2010. All three wells showed similar reservoir characteristics and frac responses. The non-operated well is expected to be fraced mid January, 2010.

Midway is encouraged with the drilling times and costs associated with its initial three well program as the average cost to drill the three operated wells was \$1.25 million gross per well. Midway expects to continue to optimize the costs of its drilling program with the information gained on these initial drills.

All three of the operated wells have now been completed at an average cost of \$1.15 million gross per well. Each of the three wells has been completed using different multi-stage frac completion methods. Midway believes that completion methods will become the biggest area of achieving efficiencies on a go-forward basis and intends to modify its completion program to achieve the best results with the lowest risk capital.

The first well has produced back the frac fluid and is producing formation oil (restricted by pumpjack capacity) at an average rate of 300 barrels of oil equivalent per day ("boepd") for its first week of production. The well was drilled on an existing surface lease and tied into the Company owned gathering system and production facility. The second well has also been equipped and tied into the Company's gathering system and is currently recovering frac fluid at a production rate similar to the first well. Upon producing out its frac fluid, the well will be shut-in for bottom hole pressure data next week. This well is expected to be producing formation oil by the last week of January. The third Cardium well was fraced in early January and is currently flowing back its frac fluid. The well is showing similar production characteristics as the first two wells and it is expected that this well will be on production by the end of January after producing back its frac fluid and being shut in for bottom-hole pressure data.

Midway intends to drill an additional three Cardium horizontal wells in the first quarter of 2010, with the first of these wells to spud in the next week. Overall, the Company is extremely pleased

with these initial results and expects to demonstrate repeatable drilling results throughout its Cardium land position.

The Company has also closed the acquisition of the oil battery and truck terminal previously announced on November 10, 2009. The acquisition was funded through the payment of \$1 million in cash (net of acquired working capital) and the issuance of 769,231 common shares of Midway. The Company views the addition of this facility as a strategic component to its development plans in the Garrington area which will allow the Company to significantly expand new production from the Cardium.

Cypress Montney

Midway has regained its 40 percent working interest in the majority of its farm-out lands in the Cypress area of British Columbia and now has approximately 3,400 net hectares of undeveloped land. The Company believes that these lands are prospective for the Doig Phosphate in addition to Upper and Lower Montney.

Midway is currently participating (8% working interest) in the recompletion of a well in the Doig Phosphate and the Upper Montney which, if successful, would set up several 40% working interest recompletions and/or drilling locations on the Company's lands in the area. Land sales in December of 2009, on lands immediately offsetting the Company's lands, sold for an average of \$2,700 per hectare with numerous parcels selling for \$4,700 per hectare.

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, strategies, financial and operating results and business opportunities. Forward-looking statements typically use words such as "anticipate", "believe", "project", "expect", "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. Specifically, this press release contains forward-looking statements relating to Midway's drilling and completion plans, the timing thereof and the results therefrom including future production levels; Midway's ability to optimize the costs of its completion program to achieve cost savings and efficiencies with the lowest risk capital; Midway's ability to demonstrate repeatable drilling results throughout its Cardium land position; ; the potential development on Midway's Garrington and Cypress properties and Midway's other assets; and Midway's future growth and consolidation plans. These forward-looking statements are based on various assumptions including expectations regarding the Midway's properties; 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; 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; the impact of increasing competition; Midway's 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 news 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.

Cautionary Statement

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A conversion ratio for gas of 6 mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Information Regarding Midway

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

Additional information regarding Midway is available under the Company's profile at www.sedar.com and its website at www.midwayenergy.com.

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