



Midway Releases 4th Quarter and Year-End 2009 Results

CALGARY, ALBERTA (March 25, 2010) – Midway Energy Ltd. (“Midway” or the “Company”) (TSX – “MEL”) is pleased to announce its financial results and reserve information for the fourth quarter and year ended December 31, 2009.

In the first five months of operations following the completion of the Arrangement with EET Management Corp., Midway has established a strong presence in the developing Cardium light oil play in the Garrington area of central Alberta. After closing two additional acquisitions in the first quarter of 2010, Midway now has in excess of 43 net sections of contiguous Cardium rights and has begun the process of transforming the Company into an oil weighted resource company by aggressively pursuing the development of these assets.

Highlights

- Total proved plus probable reserves increased in 2009 by 160 percent from 3.4 MMboes to 8.9 MMboes;
- Net present value of Midway's estimated future net revenue based on forecast prices and costs from its proved plus probable reserves (discounted by 10 percent) increased in 2009 by 156 percent from \$59 million to \$151 million;
- Reserve life index of 8.2 years proved and 11.3 years proved plus probable based on 2010 forecast production volumes from our independent engineering report;
- Midway has established a current inventory of over 150 net Cardium drilling locations;
- Lowered horizontal drilling and completion costs in the Cardium to an average of \$2.5 million per well in 2009;
- Drilled 3 (2.7 net) operated Cardium horizontal wells and participated in the drilling of 4 (0.4 net) non-operated Cardium horizontals in the fourth quarter of 2009. We drilled an additional 4 operated (3.4 net) Cardium horizontals in the first quarter of 2010;
- Average reserve bookings per well (gross) for new Cardium horizontal wells of 156,000 boe proved and 218,000 boe proved plus probable;
- All-in finding and development costs for 2009 were \$3.88 per Boe (proved) and \$2.98 per Boe (proved plus probable) excluding future capital and \$15.32 per Boe (proved plus probable) including future capital;
- Completed two successful equity financings in the fourth quarter for total gross proceeds of \$40.7 million.

After the completion of the Arrangement in July 2009, Midway's production was 15 percent oil weighted. At year end 2009, the Company's production was 36 percent oil weighted and management expects this to increase to approximately 50 percent by the end of the first quarter of 2010 with a continual trend toward higher oil weighting quarter over quarter.

Reserves

Sproule Associates Limited (“Sproule”) and GLJ Petroleum Consultants Ltd. (“GLJ”) have prepared an independent assessment of the Company's reserves dated December 31, 2009, summarized as follows (using Sproule forecast pricing as of January 1, 2010):

Summary of Oil and Natural Gas Reserves as at December 31, 2009

Reserves Category	Oil and NGL's		Natural Gas		Oil Equivalent	
	Gross ⁽¹⁾ (Mbbbl)	Net ⁽²⁾ (Mbbbl)	Gross ⁽¹⁾ (MMcf)	Net ⁽²⁾ (MMcf)	Gross ⁽¹⁾ (Mboe)	Net ⁽²⁾ (Mboe)
<i>Proved</i>						
Developed producing	1,163.6	978.8	11,128	9,789	3,018.3	2,610.3
Developed non-producing	406.3	306.4	1,969	1,649	734.5	581.2
Undeveloped	2,239.7	1,737.8	2,343	1,974	2,630.2	2,066.9
<i>Total Proved</i>	3,809.7	3,023.0	15,440	13,413	6,383.0	5,258.4
Probable	1,530.7	1,227.9	5,868	4,971	2,508.6	2,056.5
<i>Total Proved + Probable</i>	5,340.4	4,250.9	21,307	18,384	8,891.6	7,314.9

- (1) "Gross" reserves means Midway's interest (operated and non-operated) before deduction of royalties and without including any Company royalty interests.
- (2) "Net" reserves means Midway's interest (operated and non-operated) after deduction of royalty obligations plus Company royalty interests.
- (3) Numbers may not add due to rounding.

Present Value of Future Net Revenue Before Income Tax ^{(1) (2)}

Reserves Category	Discount rate				
	0% (\$000's)	5% (\$000's)	10% (\$000's)	15% (\$000's)	20% (\$000's)
<i>Proved</i>					
Developed producing	111,462	73,688	56,712	46,772	40,111
Developed non-producing	30,018	22,307	17,991	15,265	13,381
Undeveloped	119,540	72,713	48,824	34,706	25,481
<i>Total Proved</i>	261,020	168,708	123,527	96,744	78,974
Probable	174,217	57,505	27,587	16,618	11,373
<i>Total Proved + Probable</i>	435,237	226,213	151,113	113,362	90,347

- (1) The present value of future net revenue includes all resource income but does not include the Alberta drilling credit incentive.
- (2) The forecast prices used in the calculation of the present value of future net revenue are based on the Sproule January 1, 2010 price forecast and is included in the Company's Annual Information Form which has been filed on SEDAR at www.sedar.com.
- (3) Net present value does not represent fair market value.

Finding and Development Costs – Three Years

F&D Costs including change in FDC per boe	2009	2008	2007	3 year average
Proved	19.97	24.13	17.14	20.22
Proved plus probable	15.32	22.72	12.09	15.86

- (1) Future development costs at January 1, 2010 were \$47,988,000 (proved) and \$48,083,000 (proved plus probable).
- (2) The aggregate of the exploration and development capital (excluding acquisitions) incurred in the most recent financial year and the change during that year in estimated future development capital generally will not reflect the total finding and development capital related to reserve additions for that year.
- (3) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect the total finding and development costs related to reserves additions for the year.

Finding and Development Costs – 2009

	Proved	Proved + Probable
F&D Costs excluding change in FDC \$ per Boe	\$ 3.88	\$ 2.98
F&D Costs including change in FDC \$ per Boe	\$ 19.97	\$ 15.32
FD&A Costs excluding change in FDC \$ per Boe	\$ 11.70	\$ 8.71
FD&A Costs including change in FDC \$ per Boe	\$ 22.37	\$ 16.65

Corporate Highlights

(\$ 000's, except operational and share and per share amounts)	Q4 2009	Q3 2009	Q4 2008	YTD 2009	YTD 2008
Petroleum and natural gas revenue	3,682	2,053	3,552	11,271	18,944
Funds from (used in) operations	82	(1,513)	815	(168)	8,492
Basic and diluted per share	0.00	(0.06)	0.06	(0.01)	0.66
Net earnings (loss)	(2,318)	(3,503)	(1,364)	(7,116)	181
Basic and diluted per share	(0.04)	(0.14)	(0.10)	(0.27)	0.01
Working capital (deficiency) ⁽¹⁾	(8,383)	(313)	280	(8,383)	280
Bank debt	4,155	13,288	13,050	4,155	13,050
Capital expenditures	37,661	12,635	2,872	50,719	27,376
Total assets	111,211	71,347	63,502	111,211	63,502
Weighted average shares					
Basic and diluted (000's)	55,855	24,246	12,629	26,837	12,822
Common shares outstanding					
Basic (000's)	61,445	32,493	13,405	61,445	13,405
Diluted (000's)	64,445	35,493	14,674	64,445	14,674
Average production:					
Natural gas (mcf/d)	3,783	4,401	4,940	4,558	5,453
Oil and NGL's (bbl/d)	321	154	144	202	100
Oil equivalent (boe/d 6 : 1)	951	887	969	962	1,009
Average realized prices:					
Natural gas (\$/mcf)	4.57	2.85	6.55	4.01	8.13
Oil and NGL's (\$/bbl)	70.09	63.43	43.08	61.94	73.46
Oil equivalent (boe/d 6 : 1)	41.79	25.14	39.85	32.02	51.25
Netback (\$/boe)					
Petroleum and natural gas revenue	41.79	25.14	39.85	32.02	51.25
Royalties	3.94	(1.38)	7.37	2.53	8.34
Operating expenses	16.79	21.42	17.35	15.59	13.99
Operating netback	21.06	5.10	15.13	13.90	28.92

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

Message to Shareholders

The fourth quarter of 2009 continues to reflect the transition to a new approach and strategy for the Company.

The focus of management 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 our base of low risk drilling opportunities while simultaneously adding oil production through the development of our assets.

During the fourth quarter of 2009 Midway initiated its drilling program at Garrington, drilling 3 gross (2.7 net) horizontal oil wells that were completed and brought on production in the first quarter of 2010. We drilled an additional 4 operated (3.4 net) Cardium horizontal wells in the first quarter of 2010.

Currently Midway is producing Cardium oil from five of the seven operated horizontal wells. We expect to have the sixth well on production prior to the end of the first quarter of 2010 and the seventh operated well on production in early April. Production from this past week for the five producing Cardium wells is averaging 950 Boe/day gross (855 Boe/day net) with the first well completing its third production month. Midway will provide a production update in April when all seven wells drilled have a longer production history.

We are also pleased with the lower costs we are experiencing in the execution of our drilling program. Drilling and completion costs have averaged less than \$2.5 million per well. We are continually refining our frac techniques to increase well performance and decrease capital costs. The last well drilled in our program was drilled with a 1,300 meter horizontal leg and will be fraced with 14 stages and is still expected to be below the \$2.5 million threshold.

As a result of the acquisitions closed in the fourth quarter of 2009 and the first quarter of this year, Midway now has over 43 net sections of Cardium rights in the Garrington area that are prospective for horizontal drilling. In addition, these acquisitions have given Midway control of strategic infrastructure including pipelines, compression and oil batteries. Midway will continue to pursue additional acquisitions in this core area. Management has also undertaken several capital projects and other operational initiatives in its operating areas which will reduce future unit operating costs.

The Company's 2010 capital budget anticipates drilling 12 gross operated wells in Garrington and participating in several lower working interest, non-operated opportunities in the area. Management anticipates that capital expenditures in 2010 will be approximately \$39 to \$41 million focused on acquisitions, development drilling and facilities in Garrington necessary for future growth. This includes acquisitions totaling \$8.6 million which were announced in the fourth quarter of 2009 but not completed until the first quarter of 2010. These capital expenditures are expected to result in exit production of 2,200 to 2,300 Boe per day (60 percent weighted to crude oil and NGLs) for 2010. Average production for the year is forecast to generate approximately \$23 to \$25 million of funds from operations using estimated prices for crude oil of US\$75 per barrel WTI and CAD\$5.25 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:

- drilling and development plans and the timing of drilling, completion and tie-in of wells;
- expected drilling and completion costs;
- plans to consolidate the Company's land position;
- plans to pursue acquisition opportunities;
- future operating cost reductions;
- forecast capital expenditures, the allocation of the Company's capital expenditures and the method of financing thereof;
- 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.

Statements relating to reserves are deemed to be forward-looking as they involve an implied assessment, based on certain assumptions and estimates, that the reserves described can be properly produced in the future.

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 the MD&A that do not have a standardized prescribed meaning under GAAP and these measurements may not be comparable with the calculation of similar measurements of other entities.

The terms “funds from operations”, “funds from operations per share” and “operating netback” in this MD&A are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management of Midway 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. Funds from operations per share are calculated using the weighted average shares outstanding used in calculating earnings per share. 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 Midway’s ability to generate the funds necessary to finance capital expenditures and repay debt. All references to funds from operations throughout this MD&A are based on cash provided by operating activities before the change in non-cash working capital and actual asset retirement expenditures since 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. Midway’s method of calculating funds from operations 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.**

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Filings

Midway has filed with Canadian securities regulatory authorities its audited financial statements for the year ended December 31, 2009 and the accompanying Managements’ Discussion and Analysis (“MD&A”). These filings are available under Midway’s SEDAR profile at www.sedar.com. Full pdf versions of our December 31, 2009 audited financial statements and the accompanying MD&A are available on 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

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