



(TSX: MEL)
FOR IMMEDIATE RELEASE
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Midway Energy Ltd. Announces Closing of Strategic Acquisition and Equity Financing and Appointment of Director

CALGARY, ALBERTA — Midway Energy Ltd. ("**Midway**" or the "**Company**") (TSX: MEL) is pleased to announce that it has closed the acquisition of all of the issued and outstanding shares of a private company for cash consideration of approximately \$22.7 million (the "**Acquisition**") and the closing of its previously announced bought deal financing (the "**Offering**") of common shares ("**Common Shares**") through a syndicate of underwriters led by GMP Securities L.P. and including Wellington West Capital Markets Inc. and FirstEnergy Capital Corp. (the "**Underwriters**").

Pursuant to the Offering, Midway issued 22 million Common Shares at a price of \$1.25 per Common Share for gross proceeds of \$27.5 million, including two million Common Shares issued on the exercise in full of the over-allotment option granted to the Underwriters. The proceeds of the Offering were used to fund the purchase price of the Acquisition and it is anticipated that the balance of the proceeds will be used for capital expenditures and future acquisitions in the Garrington area.

The assets acquired by Midway pursuant to the Acquisition are located in Midway's new core area of Garrington, Alberta. With the completion of the Acquisition, Midway has acquired a significant land position in the Garrington Cardium fairway and is well positioned for future growth.

In connection with this Acquisition, Midway also anticipates increasing its credit facilities from \$21 million to \$27 million.

Appointment of Director

Midway is also pleased to announce that Mr. James Smith has been appointed to the Board of Directors of Midway. Mr. Smith is a business executive with over 35 years of experience in management functions, including financial analysis and reporting; dealing with financial markets; and analyzing and financing corporate and property acquisitions and divestitures.

Mr. Smith has been involved with the oil and gas industry in Canada since 1983 and has worked as a Vice-President at major companies such as Amoco Canada, Crestar Energy Inc. and Dome Petroleum Limited. He is also a director of Penn West Petroleum Ltd., Pure Energy Services Ltd., Antrim Energy Inc. and Rondo Petroleum Inc. Mr. Smith is a Chartered Accountant and holds a Bachelor of Arts degree from University of Toronto. He has also completed the Program for Senior Executives at Massachusetts Institute of Technology.

About Midway

Midway is a public junior oil and gas company with production in Alberta and British Columbia. The Company's area of focus is on operated properties in the Garrington area of Alberta, that have long life, high quality light oil and natural gas reserves with repeatable drilling upside. 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.ca.

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 the use of proceeds of the Offering and an anticipated increase in the Corporation's credit facility. These forward-looking statements are based on various assumptions including expectations regarding the acquired 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, 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.

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