

Mainland Resources, Inc.
20333 SH 249, Suite 200
Houston, Texas 77070
www.mainlandresources.com



NEWS RELEASE

Mainland Resources Announces \$40 Million Credit Facility with Guggenheim

Houston, Texas / PR Newswire – Oct. 21, 2009 – Mainland Resources, Inc., (OTCBB:MNLU, Frankfurt:5MN) announced today that it has entered into a two-year, \$40 million senior secured advancing line of credit agreement with Guggenheim Corporate Funding, LLC, an affiliate of Guggenheim Partners, LLC. SMH Capital Inc. acted as exclusive financial advisor to Mainland Resources in relation to the Guggenheim financing.

Backed by this new agreement, Mainland will complete the purchase of 8,225 acres of oil and gas leases in Mississippi in conjunction with its previously announced agreement with American Exploration Corp. to jointly develop their contiguous acreage which collectively totals 13,225 acres (the Mississippi Project).

Additionally, Guggenheim will participate through an associated company, as a 10% working interest partner in the drilling and development of the Mississippi Project.

Initial advances will also be used to retire the outstanding debt on a \$3.5 million bridge loan with Guggenheim Energy Opportunities Fund, LP as well as fund the Company's share of completion costs for its Stephenson Douglas #1 well in the Haynesville Shale being developed jointly with partner Petrohawk Energy Corporation. In addition, the credit facility will be used to pay fees associated with the financing and fund other general corporate expenses.

"We are pleased with the confidence Guggenheim has placed in the Mainland Resources growth story by providing this significant permanent financing and with joining us as a working interest partner in our exciting Mississippi Project," said Mainland's President, Michael Newport. "Mainland looks forward to working with Guggenheim to create greater long-term value for our shareholders."

About Mainland Resources, Inc.

Mainland Resources is a publicly traded energy company engaged in the exploration and production of oil and gas resources. The Company seeks to add shareholder value by focusing on the continued development of its producing assets in the Haynesville Shale and the acquisition and development of leases in emerging oil and gas regions with the potential for significant discoveries. For more information visit the Company's website at www.mainlandresources.com.

About Guggenheim Partners, LLC

Guggenheim Partners, LLC is a privately held, diversified financial services firm that, through its affiliated entities, provides financial advisory services, corporate finance, wealth management and investment products to high-net-worth individuals and institutional investors. Presently, the firm and its affiliates manage and provide advisory services with respect to more than \$100 billion of investment assets.

Mainland Resources, Inc. – cont'd

About SMH Capital Inc.

SMH Capital Inc. is the capital markets division of Sanders Morris Harris Group Inc., a Houston based financial services company that provides wealth management services in addition to capital markets services. SMH Capital offers investment banking services, including public offerings and private placements of equity and debt securities and financial advisory services. SMH Capital also offers institutional brokerage services, such as institutional equity, fixed income, and research services.

Symbol: MNLU – OTCBB, Symbol: 5MN; Frankfurt, WKN No.: A0ND6N

Contact: info@mainlandresources.com

Investor Relations (USA)
Tel. 281-469-5990

Investor Relations (Europe)
Tel. +49-69-7593-8408

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