

Allied Energy Provides Production Update for Its 2nd Test Well in Central East Texas Basin

BOWLING GREEN, KY--(MARKET WIRE)—February 16, 2010 -- Allied Energy, Inc. (Other OTC:[AGGI.PK](#) - [News](#)) announced today that the Company and an industry partner have recently completed the 2nd vertical test well in the central area of the East Texas Basin.

This location encountered hydrocarbons in formations no deeper than 8,200 feet in vertical depth and was completed for production in recent weeks. The well's reported daily average production approximates 27 barrels of oil per day.

"We have recently finalized completion operations for our second vertical location," said Steve Stengell, Allied's President.

Oil and natural gas drilling, completion and production operations involve a high degree of risk and uncertainty. The Company can make no assurances as it relates to estimated production, reserves, timelines, etc.

About Allied Energy, Inc.

Allied Energy, Inc. (OTC: AGGI.PK) is an independent energy development firm primarily engaged in the exploration, development, and production of oil and natural gas in the continental United States. The company relies upon its industry partners, well operators, geologists, petroleum engineers, recommendations from third parties and financial experts whose combined industry experience is essential to the success of each project. Allied Energy's strategic focus is the development of oil and natural gas reserves. As the fuel of choice to meet the growing demand for a clean-burning domestically produced fuel, the company firmly believes its natural gas exploration strategy should provide substantial growth to the company for the years to come. The Company has more than 6,000 acres under lease, more than 70 wells under development (128 +/- well-bores under control) and continues to build its own gas line infrastructure system in Rogers County to maximize its price for gas at the wellhead. Allied and its partners are also participating in oil and gas projects located in Leon County, Texas, Morgan County, Colorado and Washington/Athens Counties, Ohio.

The Company has a wholly owned subsidiary, Allied Operating LLC, including a field office, ten (10) employees and various equipment located in Oologah, Oklahoma. Allied Operating supervises the Company's field operations (120 +/- well-bores) located in Rogers and Pawnee Counties, Oklahoma.

Earlier this year, Allied Energy, Inc. formed Allied Gas Transmission, a majority owned subsidiary, also located in Rogers County, Oklahoma. Allied Gas Transmission is currently developing a gas pipeline / transmission system in Rogers County.

The Company has recently formed Allied Holdings, LLC for the purpose of acquiring 50% ownership of its 10,000 square foot national headquarters / office along with 50% ownership of a 140,000 square foot building and warehousing operations also located on the property.

The Company's audited financial statements can be viewed at www.alliedenergy.com or www.pinksheets.com

For more information: www.alliedenergy.com

Certain statements in this release and the attached corporate profile that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by the use of words such as "anticipate," "believe," "expect," "future," "may," "will," "would," "should," "plan," "projected," "intend," and similar expressions. Such forward-looking statements involve known and unknown risks including but not limited to geological and geophysical risks inherent to the oil and gas industry, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. It is impossible to accurately forecast or predict oil and/or natural gas production and reserves. The projections herein are only estimates. The Company can make no assurance that commercial production will be obtained, and if obtained, in such quantities to make the project commercial. The Company may have varying degrees of working interest ownership in each well and/or prospect. Thus, gross revenue projections may not be equal to what is distributed net to the Company. The Company's future operating results are dependent upon many factors, including but not limited to the Company's ability to: (i) obtain sufficient capital or a strategic business arrangement to fund its expansion plans; (ii) build the management and human resources and infrastructure necessary to support the growth of its business; (iii) competitive factors and developments beyond the Company's control; and (iv) other risk factors inherent to the oil and gas industry. The Company's geological and geophysical evaluations of its prospects are often times based on recommendations from regional experts, geologists and other professionals. However, Allied cannot make any assurance that the recommendations of and/or information received from these professionals are completely valid and will result in the commercial production of oil and/or gas.

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