

Allied Energy Makes Continued Investment in Progressive Environmental Company

Allied Energy, Inc. (PINKSHEETS: AGGI), through its wholly owned subsidiary, Allied Alternative Energy, LLC, provided the following report regarding its continued investment in Gryphon Environmental, Inc.

Gryphon Environmental, LLC is a rapidly growing company located in Western Kentucky that specializes in solutions for the management, disposal and dewatering of waste for municipal sewage disposal plants (MSDs) and industries throughout the US.

Gryphon has created a system that can markedly enhance the dewatering process as it relates to sludge ponds and municipal waste. Utilizing Gryphon's technology and processes, waste effluents (mixed water and waste) can be further dewatered to a level that is greater than 50% dry. The significance of this is threefold. First, there are decreased hauling costs. Second, there are decreased incineration costs. Third, if the final product is greater than 50% dry it can be used as a fuel source that can be sold or reused. "This potential renewable source of energy is what caught the attention of Allied Alternative Energy" said Heather Age, Allied Alternative's Vice President.

Gryphon is currently working with municipal, paper, food processing and coal industries to implement their dewatering technology. Gryphon is also collaborating with leading scientists in the fields of biomass pyrolysis and conversion of biomass to biodiesel. In addition to these renewable energy sources, alternative uses, such as the use of dewatered paper sludge as a raw material for cellulose insulation, are nearing commercialization.

"Allied has invested a total of \$200,000 with plans for an additional investment of nearly \$300,000 in the immediate future" said Steve Stengell, Allied's President. "As an independent oil and natural gas producer, it is critically important that we participate in the development of alternative energy sources in an effort to plan for the future" added Stengell.

About Allied Energy, Inc.

Allied Energy, Inc. (PINKSHEETS: AGGI) 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 strategic 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 (110 +/- 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'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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