

## Allied Energy Announces Plans for Its Horizontal Program in the Historic “Giddings Field Area” of Grimes County, Texas

BOWLING GREEN, Kentucky, September 15, 2009 – Allied Energy, Inc. (OTC: AGGI.PK) announced today that the Company and a strategic industry partner have plans to participate in the drilling and development of a horizontal drilling program located in the historic “Giddings Field Area” of East Texas.

The proposed horizontal drill-site location is a direct PUD, Proved Undeveloped, offset location to the Apache Corporation Butaud #1 Well located in Grimes County, Texas that was completed in March 2009 and tested at 4,833 MCFD (thousand cubic feet per day) of gas and 30 BC (barrels of condensate/oil) as reported to the Texas Railroad Commission. As per its production records, the Butaud #1 continues to produce from a single lateral at an estimated and reported rate approaching ~ 2,500 MCFD of gas and 30 BC.

The proposed plans for an initial horizontal test well are to drill a long length single lateral and/or two (2) opposing horizontal laterals. Although risks do exist and the Company can make no assurances, this long length single lateral and/or dual-lateral strategy could dramatically enhance reserve and production potential for this location.

As reported to the Texas Railroad Commission, the nearby Chesapeake Upchurch #1 Well located in a similar setting was completed for production in 1992 and initially tested at 6,200 +/- MCFDGE (thousand cubic feet of gas per day equivalent) and produced 3.6 billion cubic feet of natural gas and more than 147,000 BC in less than five years from a single (1) lateral.

Allied is in the process of acquiring a substantial working interest position in the initial test location and in the project area which potentially consists of several thousand acres located in the prolific Austin Chalk, Buda and Georgetown horizontal trends.

“We are currently making plans to begin drilling as early as preparations allow this fall or winter”, said Steve Stengell, Allied’s President.

There exist tremendous risks and uncertainty associated with oil and natural gas development including but not limited to the geological and mechanical risks associated with horizontal drilling. The Company can make no assurances as it relates to estimated reserves, production rates, timelines, etc. for any oil and gas project.

### ***About Allied Energy, Inc.***

Allied Energy, Inc. (OTC: AGGI.PK) is an independent oil and natural gas company 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 (110 +/- well-bores under control) and continues to build its own gas line infrastructure system in Rogers County Oklahoma 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](http://www.alliedenergy.com) or [www.pinksheets.com](http://www.pinksheets.com)

For more information: [www.alliedenergy.com](http://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 mechanical, geological and geophysical risks inherent to the oil and natural 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 above project has been classified as a PUD project by an independent third party. A PUD proven undeveloped project is a defined as a direct off-set to an existing producer which has a 90% or better probability of producing the minimum reserves projected herein. All production records herein are public record and reported by the Texas Railroad Commission. 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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