

RED HILL ENERGY INC.

P R E S S R E L E A S E

Trading Symbol: RH. TSX-V

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RED HILL ENERGY INCREASES ITS TOTAL MONGOLIAN COAL RESOURCE BY 68% TO 350.1 MILLION TONNES

141.3 MILLION TONNE HIGH QUALITY THERMAL COAL RESOURCE CONFIRMED AT CHANDGANA TAL

DRILLING CONTINUES AT CHANDGANA KHAVTGAI

Vancouver, British Columbia, September 10, 2007: Red Hill Energy Inc. (TSX-V: RH) Red Hill Energy (the Company) announced today that it has confirmed a significant increase to the historical resource estimate for its Chandgana Tal coal project in eastern Mongolia.

The new NI 43-101 and JORC compliant technical report, independently being prepared by Behre Dolbear & Company, (USA), Inc. (Behre Dolbear) of Denver, Colorado, confirms a Measured coal resource of 141.3 million tonnes. This represents an increase of 51.3 million tonnes (57%) over the previous historical reportable resource of 90 million tonnes (Russian resource categories A, B and C1). When combined with the Company's Ulaan Ovoo resource project (174.8 Million tonnes Measured, 34.0 Million tonnes Indicated), total Red Hill coal in Mongolia increases by 68% to 350.1 million tonnes. (316.1 Measured, 34.0 Indicated)

An eight-hole drilling program in May of this year expanded on historical drill holes at Chandgana Tal and defined additional resources in the western half of the property. Over half of the property had never been explored, and the recent drill holes confirm the continuation of a 35-50 metre (m) coal seam into this area. A total of 44 drill holes were used to delineate the resource. Due to the close proximity of drill holes, the entire resource has been elevated to Measured status.

Coal samples taken during the recent drilling program and analyzed by SGS-CSTC Minerals at Tianjin, China indicate that the deposit contains high quality thermal coal; similar in quality to the nearby Baganuur coal mine which supplies 80% of the coal used by Ulaanbaatar's power plants. The coal has an average air-dried calorific value of 4,238 kcal/kg (7,628 BTU/lb). It is also low in ash (12.49%) and low in sulfur (0.68%), making it ideal for thermal power generation. The coal resource is contained almost entirely within a single 35-50 m thick coal seam. The seam is nearly horizontal and remains very near the surface over the entire property. This yields a highly favorable average strip ratio of 0.53:1 (bank cubic metres/tonne), ideal for a low cost surface mining operation.

The property contains one reverse fault near the outcrop on the north end. This has

effectively duplicated the coal seam on both sides of the fault, resulting in two outcrop zones and a lower overall strip ratio in this area.

The Chandgana Tal coal project consists of two mineral licenses: a 32-hectare mining license and an adjacent 300-hectare exploration license. About 9.3 million tonnes are contained on the mining license, and the remaining 132.0 million tonnes are contained on the exploration license. Red Hill Energy will now proceed with necessary steps to bring the entire resource under mining license status. The coal seam outcrops over both license areas, providing easy access to the deposit and an immediate return on investment.

Chandgana Tal is linked to Ulaanbaatar by paved highway (300 km) and is 160 km from the central Mongolian railway linking it to Mongolia's most populated regions and the Chinese and Russian markets.

Exploratory drilling continues on Red Hill's Chandgana Khavtgai property located approximately 9 km southwest of Chandgana Tal. The two projects along with Tethys Mining make up the entire Nyalga Coal Basin. Tethys Mining is a 100% owned Mongolian subsidiary of international mining conglomerate CVRD (Companhia Vale do Rio Doce) of Brazil.

The independent Qualified Person responsible for summarizing the technical material presented in this release is Mr. Gardar G. Dahl, Jr., P.Geol, a senior associate of Behre Dolbear. Mr. Dahl is an established coal consultant with more than 35 years experience in coal exploration, mining and sales, both in surface and underground operations. Behre Dolbear is one of the oldest, continually operating minerals industry consulting firms in the world, offering fully integrated management consulting and technical advisory services specializing exclusively in the minerals industries from offices around the world. Behre Dolbear has performed numerous coal assignments globally for major and junior mining companies alike.

- ABOUT RED HILL -

Red Hill Energy Inc. is a junior resource company trading on the TSX-Venture Exchange under the trading symbol "RH". In addition to its extensive portfolio of uranium properties Red Hill is also developing the 208.8 million tonne Ulaan Ovoo Coal Project in northern Mongolia. Red Hill is also developing the Chandgana Tal Coal Project in Eastern Mongolia and has 14 uranium properties and several gold and copper exploration projects located throughout Mongolia. Red Hill has a strategic alliance with Mega Uranium Ltd. to jointly develop its uranium assets and has a full time office in Mongolia's capital, Ulaanbaatar

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For further information: **Paul McKenzie (Director): Telephone 604.642.COAL (2625)**

Email: info@redhillenergy.com Web: www.redhillenergy.com

European Investor Inquiries can be directed to:

Nick Fuller and Samantha Fletcher

Fuller Fletcher & Associates Ltd. of London, UK

Tel: +44 (0) 20 7256 5204

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Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Corporation's periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The companies do not assume the obligation to update any forward-looking statement.