

RIVAL ENERGY LTD. --- SECOND QUARTER 2007

August 27, 2007 (Calgary) - RIVAL ENERGY LTD. ("RGY" – TSX Venture Exchange) is pleased to release its operating and financial performance for the second quarter and first six months of 2007. For this most recent quarter, Rival continued to post strong gains in average production volumes and cash flow, despite a very challenging and competitive corporate environment for all energy producers.

Highlights Table

	Three Months Ended June 30			Six Months Ended June 30		
	<u>2007</u>	<u>2006</u>	<u>Percent Change</u>	<u>2007</u>	<u>2006</u>	<u>Percent Change</u>
<u>Financial</u>						
Oil & gas sales	\$5,173,015	\$3,894,658	33	\$10,490,235	\$7,527,674	39
Cash flow from operations	2,627,020	1,371,112	92	5,069,989	3,021,538	68
Net income	322,813	24,691	1207	390,283	298,069	31
Cash flow per share	0.12	0.07	68	0.23	0.15	51
Net income per share	0.01	0.00	N/A	0.02	0.02	(22)
Average shares outstanding (000)	22,349	19,809	13	22,332	19,809	13
<u>Operating (6:1 BOE)</u>						
Average daily production						
Natural gas (mcf)	1,985	2,582	(23)	2,071	2,619	(21)
Oil and NGL (bblsd)	688	414	66	732	392	87
Barrels of oil equivalent (boe)	1,019	845	21	1,077	828	30
<u>Average Sales Price</u>						
Natural gas (\$/mcf)	\$ 7.43	\$ 5.85	27	\$ 7.50	\$ 6.72	12
Oil (\$/bbl)	60.65	64.46	(6)	57.60	59.54	(3)

Q2 Highlights:

- Ø Drilled one successful oil well and completed and tied-in two previously drilled wells. These production additions replaced natural declines and flush production from Rival's most recent Bellshill oil discovery (100%) during this reporting period and enabled Rival to average 1019 boe per day through this calendar quarter.
- Ø Strong production growth, year over year, has enabled Rival to post significant gains in oil and natural gas revenues and cash flow for this quarter was up 92% over last year's second quarter.

- Ø Actively developed additional drilling prospects during the first six months of 2007 and are currently completing arrangements for an active exploration program for the remainder of this year. The Company will participate in the drilling of at least six wells and complete three significant seismic programs to delineate additional oil prospects within its core areas of interest.
- Ø On the natural gas side, seven drilling locations have been approved and surveyed on the Company's Robsart and Morinville properties. These natural gas targets will be drilled once natural gas prices have demonstrated improved strength and stability.

Production and Operations Overview

Rival's production volumes remain at record levels and have remained at or above 2007 performance targets to date. The new volumes added through the Company's limited capital program in 2007 has replaced flush production volumes and natural declines throughout the first six months of the year. To date, Rival remains on track with production volumes averaging 1077 boe per day (65% oil) through the first six months of 2007. Current production is approximately 1040 barrels of oil equivalent per day.

As a result of these production numbers, Rival's oil and natural gas revenues have increased significantly over the same period for 2006 and cash flows have also showed significant growth. Revenues for Q2 2007 were up by 33% to \$5.2 million (or 39% and \$10.5 million for the six month period) and the resulting cash flow for the Company was up by 68% to \$2.6 million and this resulted in cash flow per share of \$0.12 for the second quarter, or \$0.23 per share for the first six months of the year. This strength in cash flow keeps Rival clearly on-track to both strengthen its balance sheet through fiscal 2007 and achieve its CFPS target of \$0.40 for this calendar year.

To date in 2007, Rival has taken a conservative approach to its exploration and capital spending activities. This position was taken during the first quarter of this year due to concerns over the high cost of most oilfield service costs, declining natural gas prices and a weakening equity market. To this end, Rival's exploration activities for 2007 have been curtailed, but as average production volumes continue to meet corporate forecasts, we remain confident the Company will meet its corporate targets for calendar 2007.

Since adopting this strategy, Rival has observed a significant reduction in almost all oilfield service costs and a major shift in the availability and timing of the required services for all exploration and development activities. Further, Rival's position on the natural gas market has provided it with a "softer" landing as the Company hedged 50% of its natural gas volumes for the summer months (April to November) and this position continues to have a positive impact on corporate cash flow. Finally, at the expense of an expanded capital program, Rival has taken the necessary steps to reduce its overall corporate debt by at least one million dollars per quarter, believing a strengthened balance sheet will be a significant benefit as we continue to invest in the growth of the Company.

The next few months for Rival should be very rewarding. Over the past six months the Company has dedicated capital and manpower to develop a drilling program that will provide additional growth prospects from each success and provide Rival with a meaningful presence in northern Alberta and the Peace River Arch. These are areas Rival and its exploration team believe offer the opportunity for significant growth and the economical addition of longer life, quality reserves within an acceptable risk / reward profile.

Prospects in the Progress / Pouce Coupe areas of W6M will be undertaken within the next 60 days and at least one well and additional 3D seismic will be completed in the Culp area of northern W5M. These prospects are key to Rival's growth plans as we move forward with our strategy for establishing a significant presence in these new core areas.

In Rival's core area of east central Alberta, current plans call for participation in an attractive horizontal drilling opportunity that is currently being tested with a vertical test well. This play alone could deliver significant growth to Rival through Q4 2007 and Q1 2008.

The Company also plans to shoot three 3D seismic programs in the Morinville, Provost and Bellshill areas to delineate additional oil prospects for immediate drilling. These contingent drilling locations will supplement a growing inventory of prospects that Rival is developing. In conjunction with the Company's shallow natural gas drilling program (surveyed and licensed) in the Robsart area of Saskatchewan (5 wells) and the Morinville area of central Alberta (2 wells), Rival continues to pursue an active capital program despite the operational and financial challenges facing most junior oil companies at this time.

Rival will continue to develop its inventory of prospects and adjust its capital spending program to ensure we remain prudent and that our activity provides the best benefit for our shareholders as we manage the Company's growth through the current economic environment.

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Company information applicable to Canadian securities regulations has been filed on the Sedar system at www.sedar.com and the Company's website at www.rivalenergy.com

The term barrel of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet to one barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead

This press release contains forward-looking information. Estimates provided for 2007 and beyond are based on assumptions of future events, and actual results could be significantly different than these estimates. Events or circumstances may cause actual results to be materially different from these predictions. The reader is cautioned not to place undue reliance on this forward-looking information.

For further information, contact Mr. Colin Ogilvy (403) 233-4366; e-mail ogilvy@rivalenergy.com or Mr. George Zirotff (403) 233-4365; e-mail gzirotff@rivalenergy.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.