



For Immediate Release

July 17, 2007

CHALLENGER ENERGY CORP. ANNOUNCES UPDATE ON DRILLING OPERATIONS IN TRINIDAD

CALGARY, ALBERTA-(CCNMatthews – July 17, 2007) - Challenger Energy Corp. ("Challenger") ([TSX VENTURE:CHQ](#)) ([AMEX:CHQ](#)) announced that the "Victory" well on Canadian Superior Energy Inc.'s ("Canadian Superior") ([TSX:SNG](#))([AMEX:SNG](#)) "Intrepid" Block 5(c) offshore Trinidad is currently drilling in 26" hole section and has been drilled to a depth of 3250 feet as at 7am ET, July 17th.

Dan MacDonald, President, said today, "We are very excited about drilling this exploration well offshore Trinidad, in one of the most exciting natural gas plays in the world". The Kan Tan IV semi-submersible drilling rig, currently drilling at the "Victory" location, has been contracted to drill three exploration wells, on separate and distinct large natural gas prospects, "Victory", "Bounty" and "Endeavour" on Block 5(c) in Trinidad. The wells will evaluate natural gas prospects, each with multi-TCF potential of undiscovered natural gas resources, delineated by extensive 3D seismic that has been evaluated and interpreted over Block 5(c). The "Victory" well has a planned Total Depth of approximately 16,870 feet (5,142 meters). Challenger looks forward to providing further updates on the drilling of the "Victory" well in Trinidad over the next several weeks. On Challenger's website we are providing daily update(s) of drilling operations on the "Victory" well plus photos of the rig. See: Challenger's website, www.chaenergy.ca, for Daily Drilling Depth Chart(s), Geological Prognosis for the well, photographs, and location of the well offshore Trinidad.

Challenger is paying 1/3 of the cost of the "Intrepid" Block 5(c) exploration program to earn a 25% share in Block 5(c) with Canadian Superior paying the balance.

In connection with his recent appointment as President of Challenger, to assist the company in going forward with its expanded development plans, Dan MacDonald has been issued 750,000 stock options at \$2.50 per share with a five year term as part of his employment agreement.

Challenger Energy Corp. is a Calgary, Alberta, Canada based oil and gas exploration company which is currently focusing on "high impact" oil and gas plays offshore Trinidad and Tobago and offshore Nova Scotia. See www.chaenergy.ca for information on Challenger.

This news release contains forward-looking information, including estimates, projections, interpretations, prognoses and other information that may or relates to future production, project start-ups and future capital spending. Actual results, estimates, projections, interpretations, prognoses and/or estimated results could differ materially due to changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors or revisions. This news release contains the reference to the term "undiscovered natural gas resources", which are those quantities of gas estimated to be contained in accumulations yet to be discovered. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, it may not be economically viable or technically feasible to produce.

Statements contained in this news release relating to future results, events and expectations are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve known and unknown risks, uncertainties, scheduling, re-scheduling and other factors which may cause the actual results, performance, estimates, projections, interpretations, prognoses, schedules or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, those

described in the Corporation's annual report on Form 20-F on file with the U.S. Securities and Exchange Commission.

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

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