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Rally Energy Corp. Grants Stock Options

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"RAL"-TSX Exchange "RLE"-Frankfurt Stock Exchange

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Rally Energy Corp. announces that its Board of Directors has authorized the granting of 1,208,000 options at an exercise price of \$1.34 each, for a term of five years, to directors, officers and employees. All the options vest over a one year period with 50% vesting immediately. There are currently 7,390,092 options outstanding, representing approximately 8% of the 91,025,379 issued common shares outstanding.

Based in Calgary, Alberta, Canada, Rally Energy is an oil and gas exploration, development and production company. The Corporation's primary area of operations is in Egypt, where it has a 100% operating interest in the Issaran oilfield, a significant heavy oil development opportunity with strong growth potential. In Pakistan, the Corporation holds a 22.5% interest in the Safed Koh Block, where it plans to participate in the development of large natural gas/condensate discoveries. In Canada, Rally Energy is active in Alberta and Saskatchewan with varied working interests in several producing properties.

Certain information regarding the Corporation contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

The TSX has neither approved nor disapproved of the contents of this news release.