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## Rally Energy Reports Spudding of Second Harmattan Well

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**Contact:** Lamont Tolley, President & CEO  
Douglas C. Urch, Vice President, Finance & CFO

**Tel:** (403) 538-0000  
**Fax:** (403) 538-3705

**“RAL”**-TSX Venture Exchange

**“RLE”**-Frankfurt Stock Exchange

[www.rallyenergy.com](http://www.rallyenergy.com)

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Rally Energy is pleased to report that the second well in our multi-well Harmattan program spudded on April 25, 2005. This well, located approximately 1.7 kilometres from the first Harmattan discovery well, is targeting multi-zone pay horizons. Rally Energy holds a 50% non-operated working interest in this well.

The first Harmattan discovery well, drilled late in 2004, resulted in a multi-zone oil and gas discovery. Production facilities and pipelines were installed and production commenced on April 15, 2005. This well has been flowing at an average rate of 600 bbls/d and 900 mcf/d but will soon be restricted to its allowable rate of 126 boe/d (gross) until Good Production Practice is approved. It is expected that production from this well can be placed fully on-stream by mid-year at an initial rate of approximately 800 boe/d (400 boe/d net).

At this time, the Corporation expects to drill two development wells and two exploration wells on its Harmattan holdings during 2005.

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

WARNING