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Rally Energy Announces Stock Option Grants

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“RAL”-TSX Venture Exchange

“RLE”-Frankfurt Stock Exchange

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Effective April 28, 2005, options to purchase a total of 250,000 common shares of Rally Energy Corp. were granted at an exercise price of \$1.57 per share, the closing price on the TSX Venture Exchange on Thursday, April 28, 2005. The recipients are two officers of the Corporation. The options are exercisable until April 27, 2010. The new options vest over a period of two years with one-third vesting immediately. There are currently 5,660,090 options outstanding representing approximately 7.3% of outstanding common shares.

These options have been granted in accordance with the terms and conditions of the Corporation's stock option plan.

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

WARNING