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Rally Energy Receives Approval for Provisional Gas Price and Production Commencement in Pakistan and West Issaran, Egypt Drilling Update

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SALSABIL, PAKISTAN

Rally Energy Corp. (the "Corporation") is pleased to announce that approval has been received from the Government of Pakistan for an interim gas price for the period up to November 30, 2007 and to start production immediately from the Salsabil Field in Pakistan.

The Salsabil gas price will be US\$2.81/MMBTU as governed by the provisions of Petroleum Policy 2001. Until the amine plant installation is completed during the third quarter, an 11% quality adjustment discount pertaining to CO₂ content will apply.

The operator of the Safed Koh concession expects to commence gas production this week from two wells at an aggregate rate of 15 to 20 MMCF/d or 5 to 6 MMCF/d net to the Corporation.

WEST ISSARAN, EGYPT

The Corporation is also pleased to announce that it has completed the drilling of two additional oil wells, for a total of four wells, in West Issaran. The table below outlines net pay results in feet, by formation, for the West Issaran area. Included in the discovery area is the Issaran – 24 well drilled in 2003.

<u>Wells</u>	<u>Upper Dolomite</u>	<u>Middle Dolomite</u>	<u>Lower Dolomite</u>
West Issaran - 1	220	35	75
West Issaran - 2	78	0	0
West Issaran - 4	164	20	0
Issaran - 24	147	0	84

There was no hydrocarbon present in the Nukhul formation in all 4 wells.

The Corporation expects to drill the West Issaran – 3 well next month and several delineation wells in the fourth quarter of 2007 to determine the reserves potential of the West Issaran discovery.

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 30% interest in the Safed Koh Block, where it is participating in the development of a large natural gas/condensate discovery.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, all statements in this news release - including, without limitation, statements regarding production estimates, potential reserves and future plans and objectives of Rally - are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from anticipated results include risks and uncertainties most of which are beyond Rally's control such as: risks relating to estimates of reserves and recoveries; production rates and operating cost assumptions; development risks and costs; the risk of commodity price and currency fluctuations; general economic and industry conditions; political and regulatory risks; environmental risks; stock market volatility; access to sufficient capital from internal and external sources; and other risks and uncertainties as disclosed under the heading "Risk Factors" and elsewhere in Rally's documents filed from time-to-time with the Toronto Stock Exchange and other regulatory authorities. The reader is cautioned that assumptions used in the preparation of such information, while considered reasonable by Rally at the time, may prove to be incorrect. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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