



March 15, 2007

RALLY SPUDS NEW SALSABIL DEVELOPMENT WELL IN PAKISTAN

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Rally Energy Corp. is pleased to announce that the Dewan-5 development well spudded on March 11, 2007 in the Salsabil development lease using a new Chinese rig ZP900. Total target depth is 3,200 meters, a depth sufficient to penetrate the productive Lower Goru sands and continue to the prospective Sembar and Chiltan formations. It is estimated that the well will take 65 days to reach total target depth and up to an additional 30 days of evaluation and testing which may include stimulation.

Dewan-5 is the third well in the Salsabil field located on the Safed Koh concession in Pakistan where the Corporation's working interest is 30%. The Dewan-5 location is an offset to the Dewan-2 gas well, which production tested at rates of 10 MMCF/D, restricted by the size of tubing. The new Dewan-5 location is designed to allow maximum tubing size in the producing horizon Lower Goru Formation and in the prospective Sembar sandstones.

We are also pleased to confirm that the operator has advised that we are on schedule for commencement of commercial gas production later on this month at an expected rate of 15 to 20 MMCF/D (net 4.5 to 6.0 MMCF/D) from two wells Dewan-1 and 2 increasing to 60 MMCF/D (net 18 MMCF/D) by July 2007 following the drilling and tie-in of the Dewan-5 development location.

Based in Calgary, Alberta, Canada, Rally Energy is an oil and gas exploration, development and production company. The Corporation's primary area of operation 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.