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Rally Energy Reports Initial Production from West Issaran Discovery

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

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On April 9, 2007, Rally Energy Corp. announced a new dual zone heavy oil discovery on a separate structure with the drilling of its West Issaran-1 exploratory well, located approximately three kilometers from the existing Issaran Field.

Petrophysical analysis of the Upper Dolomite formation indicates the presence of another reservoir that can be developed by thermal recovery methods. The Lower Dolomite formation was significantly fractured providing the potential for this zone to produce conventionally.

The Lower Dolomite has now been completed and tested and the Corporation is pleased to announce that this zone was placed on production last week and is currently producing at an average rate of 150 barrels of oil per day.

Beginning in the third quarter, Rally will continue to develop the West Issaran discovery through a drilling program of offset Lower Dolomite development wells, combined with two delineation wells that will evaluate the aerial extent of the Upper and Lower Dolomite accumulations and evaluate the ultimate reserves potential from thermal and conventional methods in this area.

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.