



September 27, 2007

## Rally Energy Acquisition Closes

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**Contact:** Abby Badwi, President & CEO  
Douglas Urch, Vice President, Finance & CFO

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

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

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

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Rally Energy Corp. ("**Rally**") is pleased to announce that it has completed its transaction with Citadel Capital Company and National Petroleum Company S.A.E. and their affiliates. Pursuant to the terms of the agreement, an affiliate of Citadel Capital Company and National Petroleum Company S.A.E. has purchased all of the outstanding common shares of Rally for CDN\$7.30 per share and all of the "in-the-money" options to purchase Rally common shares for the difference between CDN \$7.30 and the exercise price of the options.

"I would like to take this opportunity to thank you, our shareholders, for your support, our directors for their guidance and our staff and advisors for their dedication and commitment that helped us achieve this significant outcome" said Abby Badwi, President and CEO of Rally.

*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. In Pakistan, the Corporation holds a 30% interest in the Safed Koh Block, where it is participating in the development of a natural gas/condensate discovery.*

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### ADVISORY

*Except for statements of historical fact, all statements in this news release - including, without limitation, statements regarding the Transaction 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 the arrangement; 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. Rally 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.*

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