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RALLY ENERGY ANNOUNCES \$8.0 MILLION BOUGHT DEAL FINANCING

Contact: Abby Badwi, President & CEO

Tel: (403) 538-0000

Douglas Urch, Vice President, Finance & CFO

Fax: (403) 538-3705

“RAL”-TSX Exchange “RLE”-Frankfurt Stock Exchange

www.rallyenergy.com

CALGARY, November 30, 2005/CNW/ - Rally Energy Corp. (the "Corporation") is pleased to announce today that it has entered into an agreement, on a bought deal basis, with Jennings Capital Inc. and a syndicate of underwriters including Wellington West Capital Markets Inc., Tristone Capital Inc., Dundee Securities Corp. and Wolverton Securities Ltd., for an offering of 6,400,000 units (the "Units") at \$1.25 per Unit to raise gross proceeds of \$8 million. Each Unit shall consist of one common share (the "Common Shares") and one-half common share purchase warrant (the "Warrants"). Each whole Warrant will entitle the warrant holder to acquire one Common Share at a price of \$1.60 at any time for a period of 12 months from Closing. If at any time after six months subsequent to Closing the stock closes at or above \$1.80 per share for 10 consecutive trading days the Corporation can force the exercise of the Warrants with 15 days notice.

At the option of the Underwriters, prior to the Closing of the offering, the offering may be increased by up to 1,600,000 Units at a price of \$1.25 per Unit for further gross proceeds of \$2,000,000 which would increase the offering to \$10,000,000 if fully exercised.

The issue will be a bought underwritten public issue in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario by way of a short form prospectus, and in Europe, and in the U.S. on a private placement basis pursuant to exemptions from the registration requirements pursuant to Rule 144A of the United States Securities Act of 1933, as amended. This news release is not for dissemination in the United States or to any United States news services.

The financing is scheduled to close on or about December 20, 2005 and is subject to regulatory approval and completion of definitive documentation. Proceeds of the Offering will be used to fund the Corporation's exploration and development plans in Egypt and Pakistan and for general corporate purposes.

FORWARD-LOOKING STATEMENTS

Certain information regarding the Corporation contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

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