



Rally Canada Resources Ltd.

Presentation

December 2013

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This presentation contained forward-looking information which is based on the management's expectations, estimations and projections in regarding to the future growth of the company. All the forward-looking information is also based on the results of operations, and market circumstances as of the date of this presentation. The use of any of the words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions are intended to indicate forward-looking information.

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Additional information or updated information in the future can be obtained by contacting Rally Canada Resources Ltd.

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1. Introduction

Rally Canada Resources Ltd. (“Rally”)

- **General Information**

Rally is a junior private oil & gas exploration and development company based in Calgary, Alberta, Canada, established in August 2011. It is a wholly owned subsidiary of Rally Canada Investment Ltd.

- **Main Business**

Oil and gas exploration & development, drilling, production and sales.
Canadian oil and gas asset acquisition.

- **Technical Strengths**

The employees all have more than 20 years of local and international work experience.

Future Plans

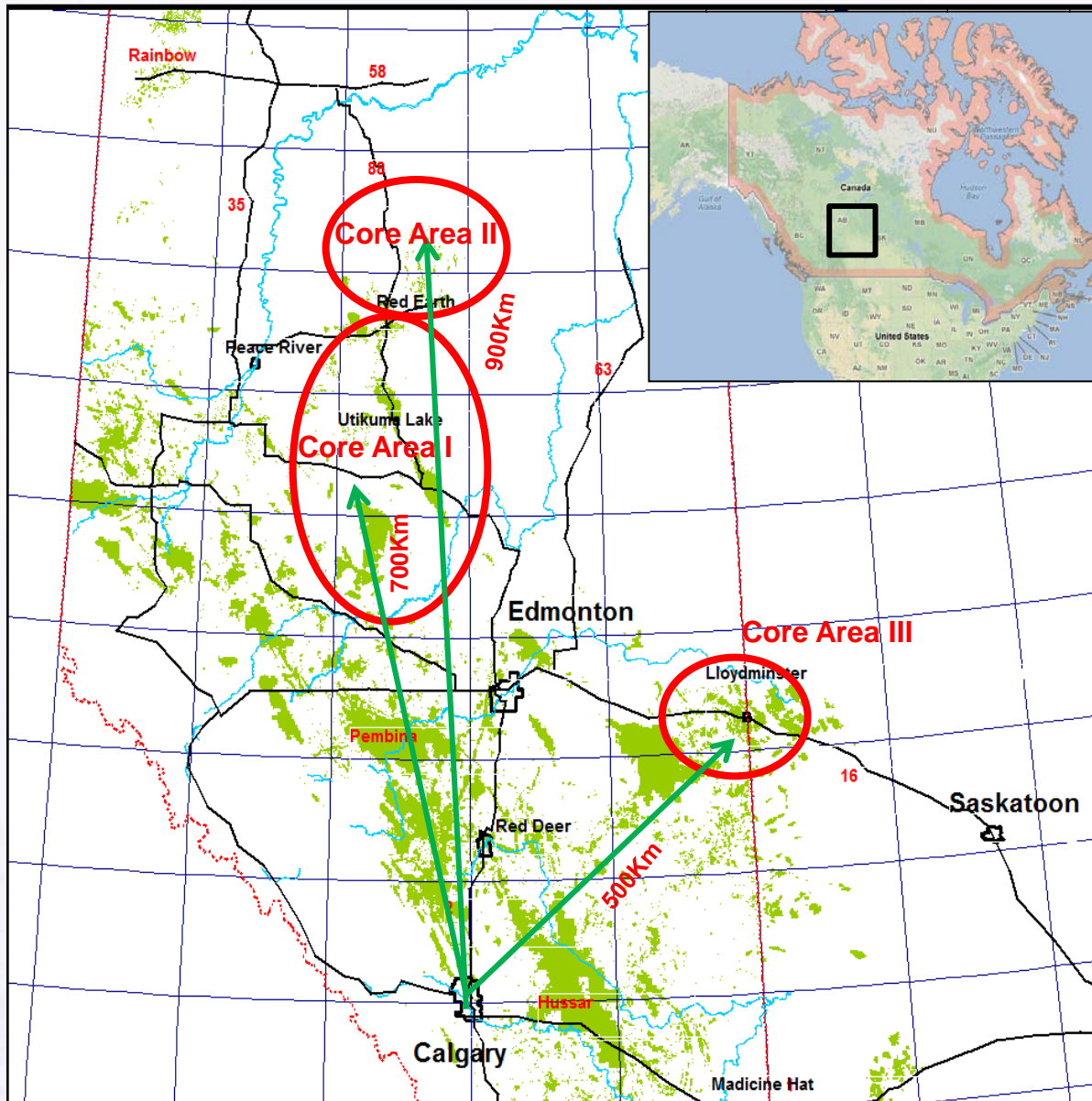
Rally plans to be a rapid growth company. The company has screened out 3 business core areas from Western Canadian Sedimentary Basin, which covers 1.6 million square kilometers. The core areas are Red Earth and Utikuma Lake light oil areas of Alberta, and the greater Lloydminster heavy oil area of both Alberta and Saskatchewan. Currently Rally holds 100% working interest in 785 Km² Crown Lands, and we plan to buy another 300 Km² Crown Lands in the coming year.

The company has clear goals and deliberate strategies. By 2018, 48 new wells are scheduled to be drilled and the production rate is estimated to reach 2,300 bbl/d. Based on the average crude oil price of \$80/bbl, the daily revenue is \$184,000, annual revenue will be about \$60.72 million. The gross profit is expected to be more than 50%, and the predicted pay back period is 3~5 years(excluding the construction period of investment).

The medium-term plan is by 2021 to become a listed company with production of 20,000barrels per day and share price should be above C\$5.00. The long-term plan is to become a medium-sized oil company with production over 60,000bbl/d in next 10 years.

Note: all numbers are in Canadian dollars

1. Introduction - Core Areas



Total land holdings: 785 Km²

100% working interest

Core area I - Utikuma Lake

735 Km²

Light oil

OOIP:327mmbbl

Core area II - Red Earth

25.6 Km²

Light oil

OOIP:23.0mmbbl

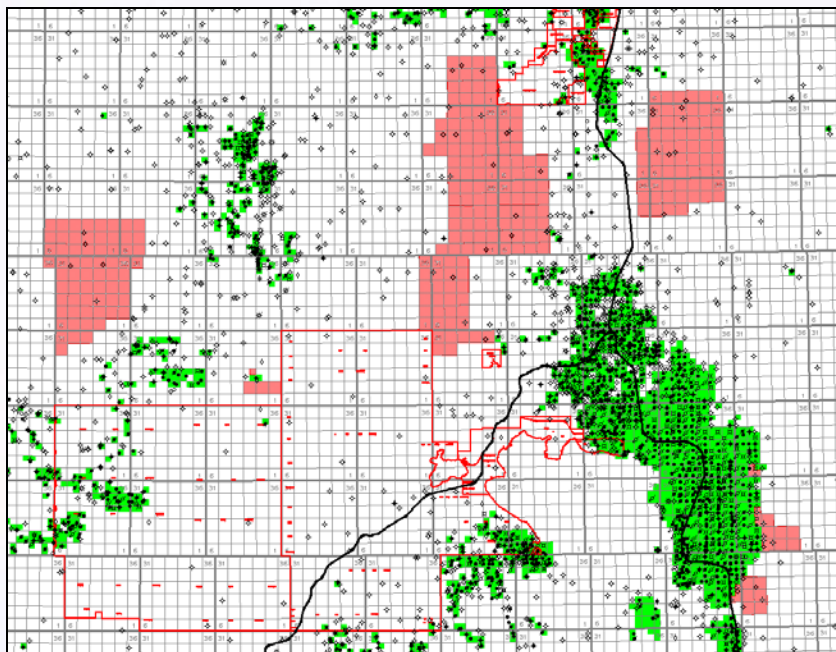
Core area III – Lloydminster

25.6 Km²

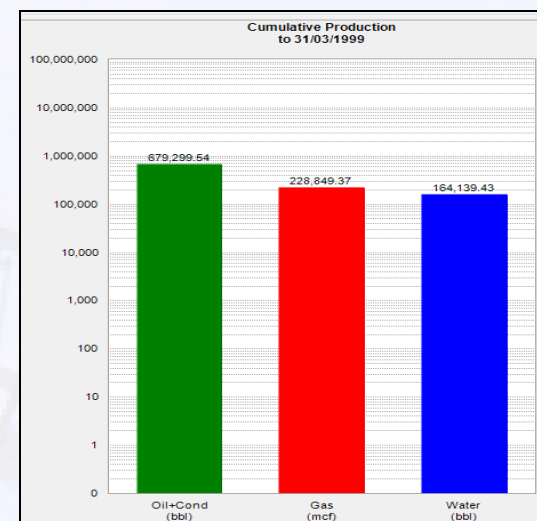
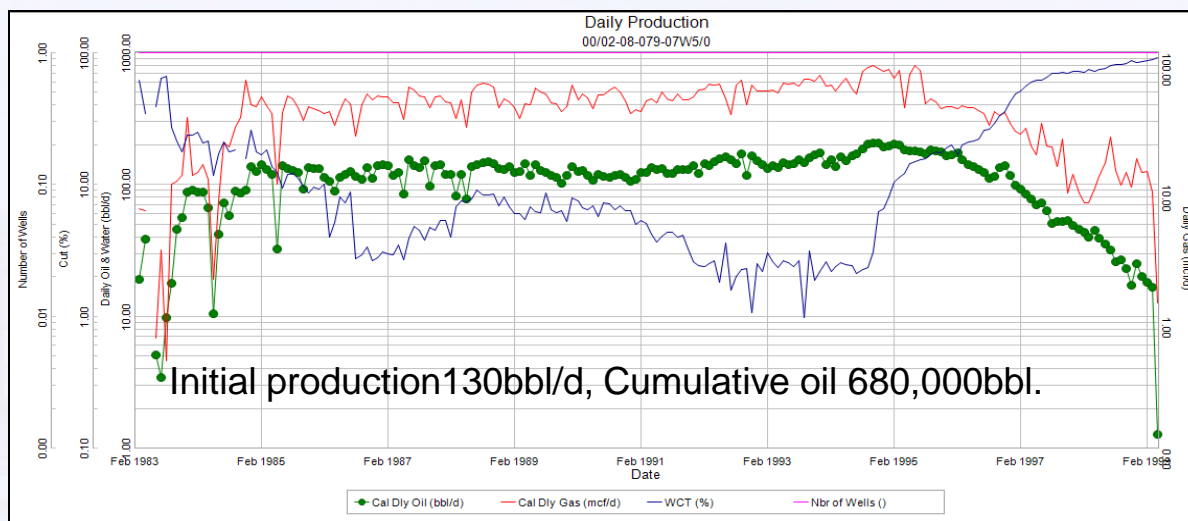
Heavy oil

OOIP : 90.0mmbbl

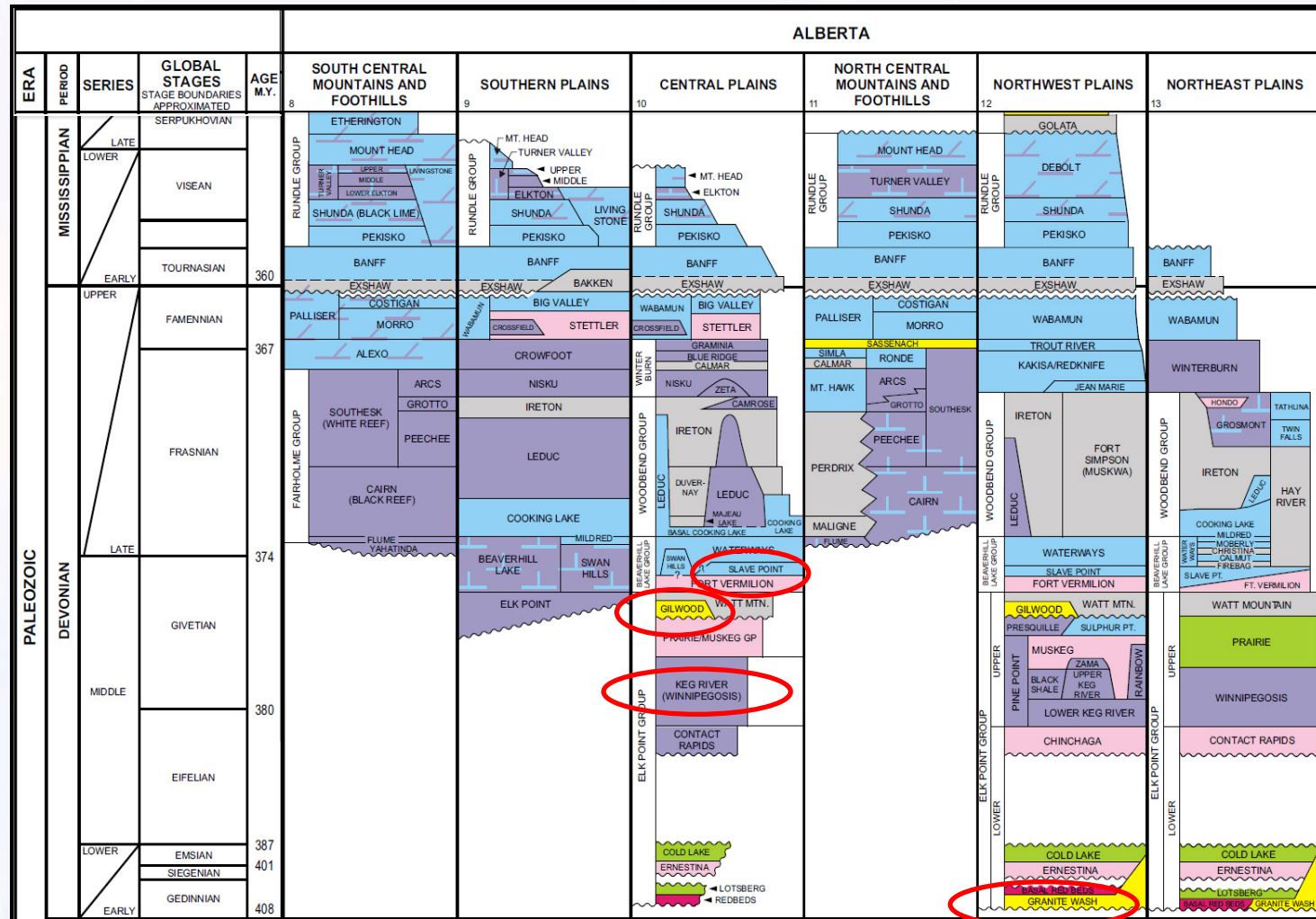
2.1: Core Area I - Utikuma Lake



- Asset area: 735 Km²
- Multi-pay zones, oil area
- Part of the lands are updip from the existing pools and the geological risk is low
- The lands are closely concentrated in one area
- Oil gravity is above 38°API
- Abundant infrastructure in the area



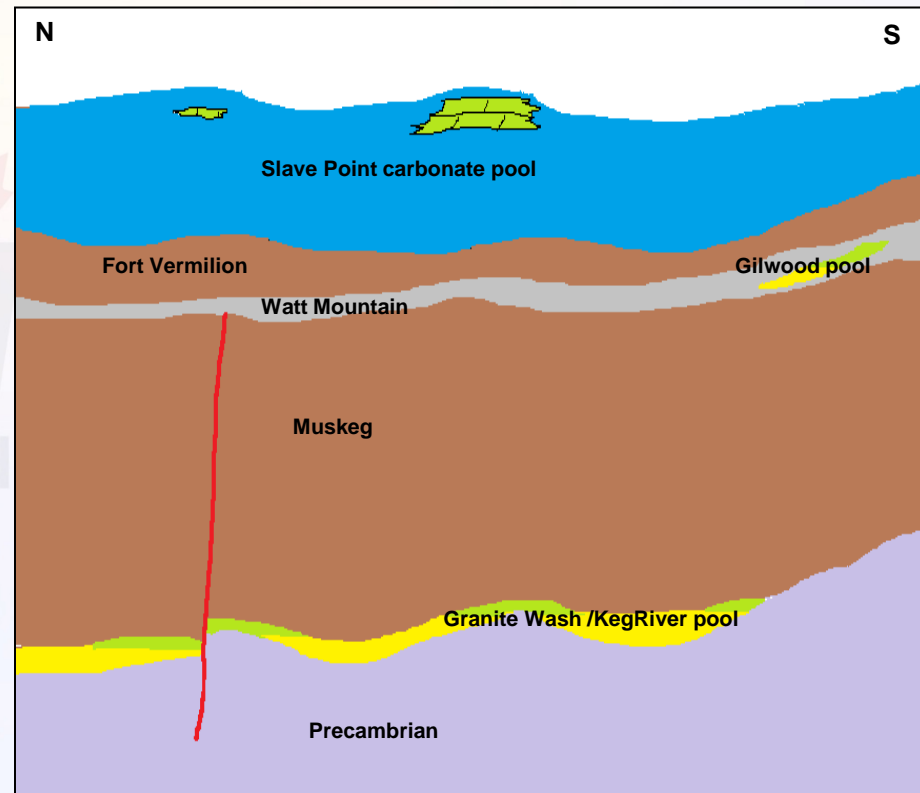
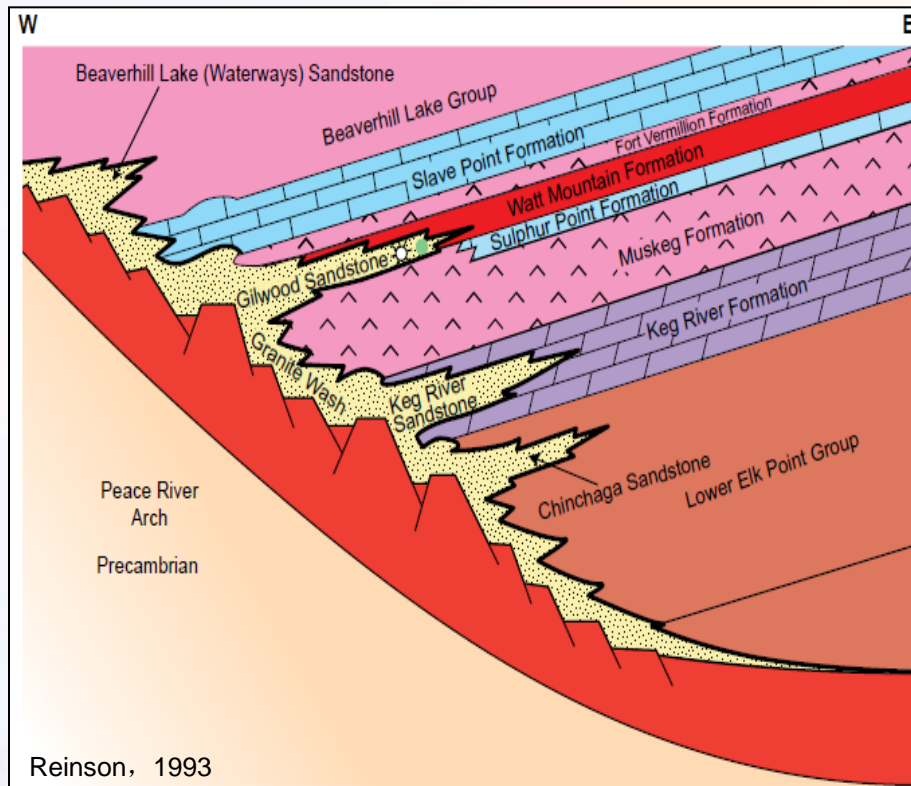
2.1.1: Core Area I - Utikuma Lake – Regional Stratigraphy



The pay zones in Utikuma Lake area are in the multiple layers of classic and carbonates in early and middle Devonian. From bottom to top the primary pay zones are Granite Wash, Keg River, Gilwood and Slave Point, in addition some secondary pay zones are developed in other members of Devonian.

2.1.2: Utikuma Lake – Trap Mechanism

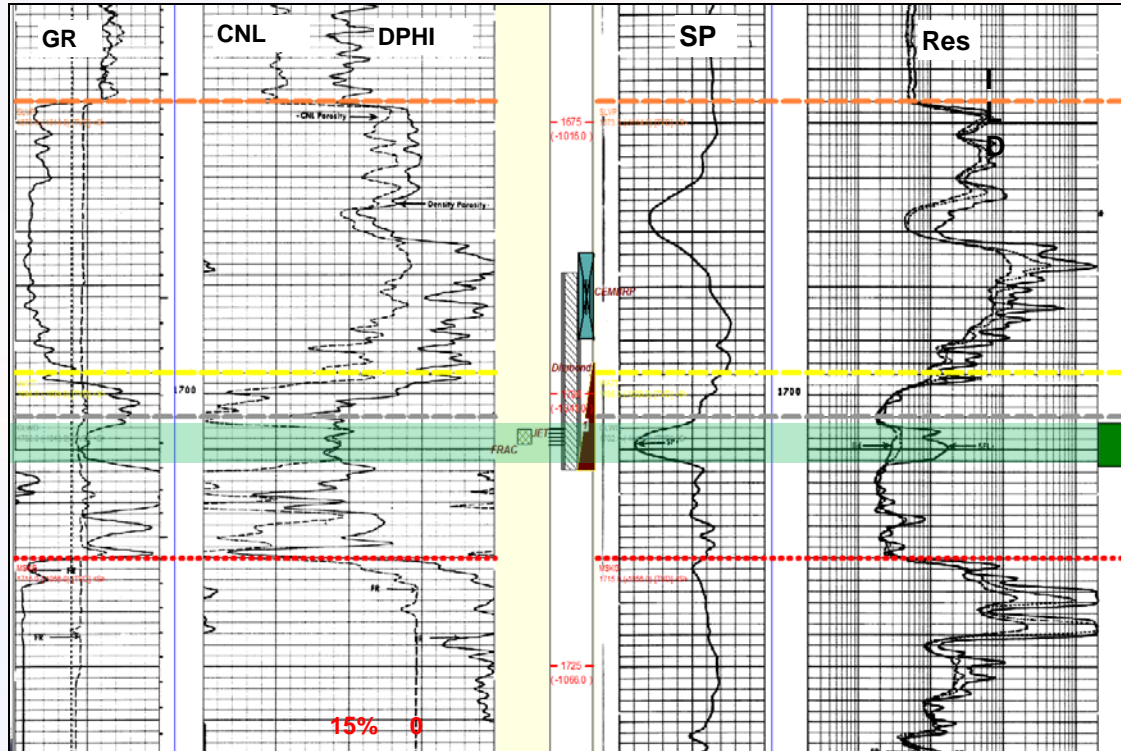
Sketch of Trap Mechanism in Utikuma Lake Area



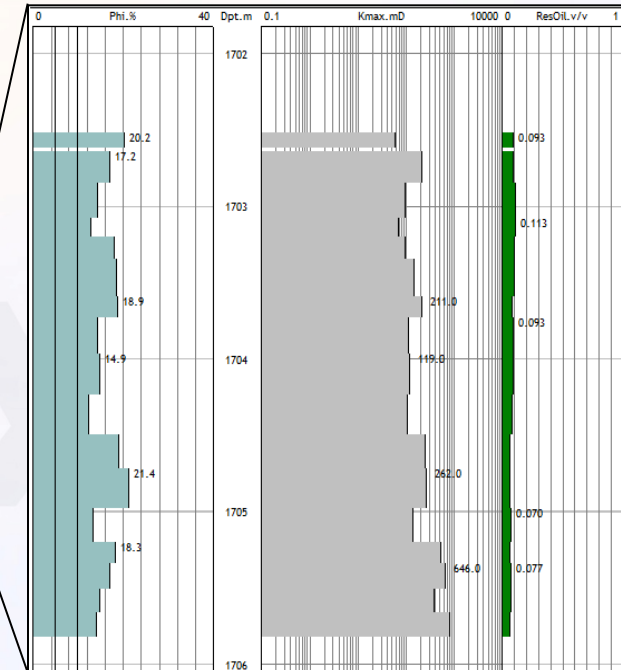
Peace River Arch is the important Sedimentary source area for the early Devonian basin. Keg River and Gilwood sandstones skirt along the arch. Reefs are developed in Slave Point. The up lift to the east side of the foreland basin results in the development of large scaled updip pinch out lithological traps.

2.1.3: Typical Gilwood Well adjacent to Rally Land

Adjacent Typical Well 02-08-079-07W5



Core Analysis

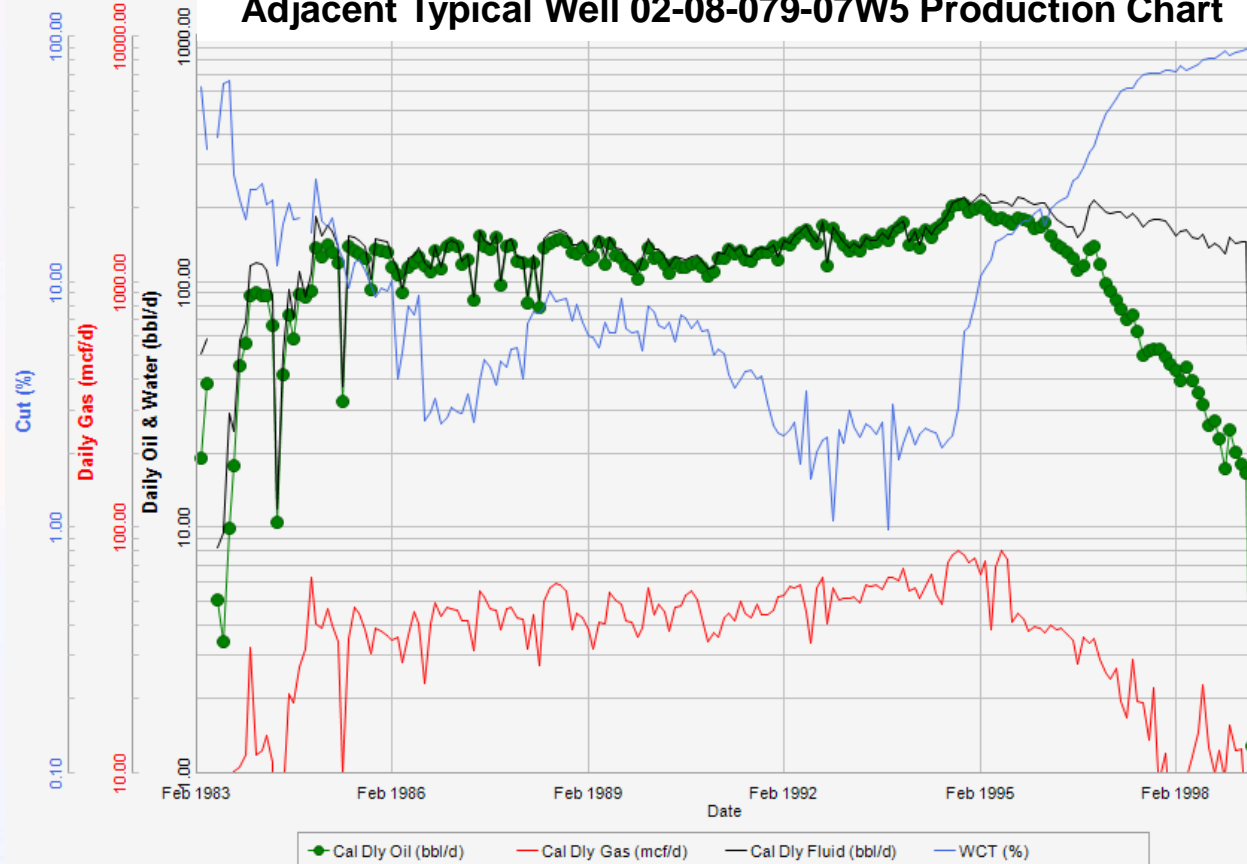


Well depth: 1750 meters
 Thickness in typical well: 3.3 meters
 Resistivity of the pay zone: 3 ohms

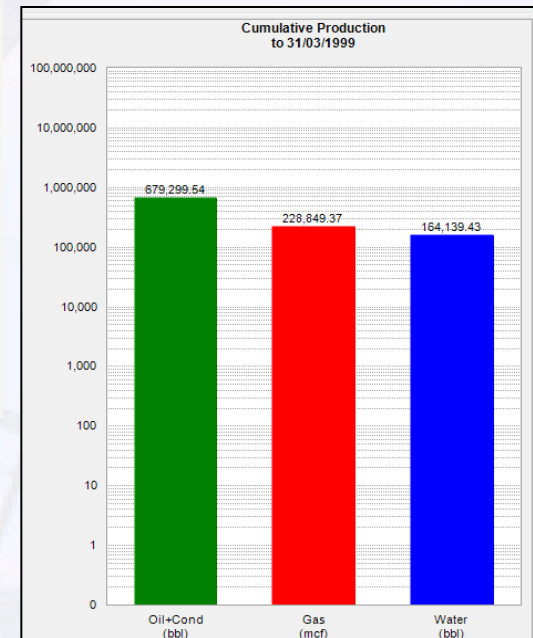
Average porosity: 16%
 Average permeability: 230 mD
 Average oil saturation: 69%

2.1.4: Typical Gilwood Well adjacent to Rally Land

Adjacent Typical Well 02-08-079-07W5 Production Chart

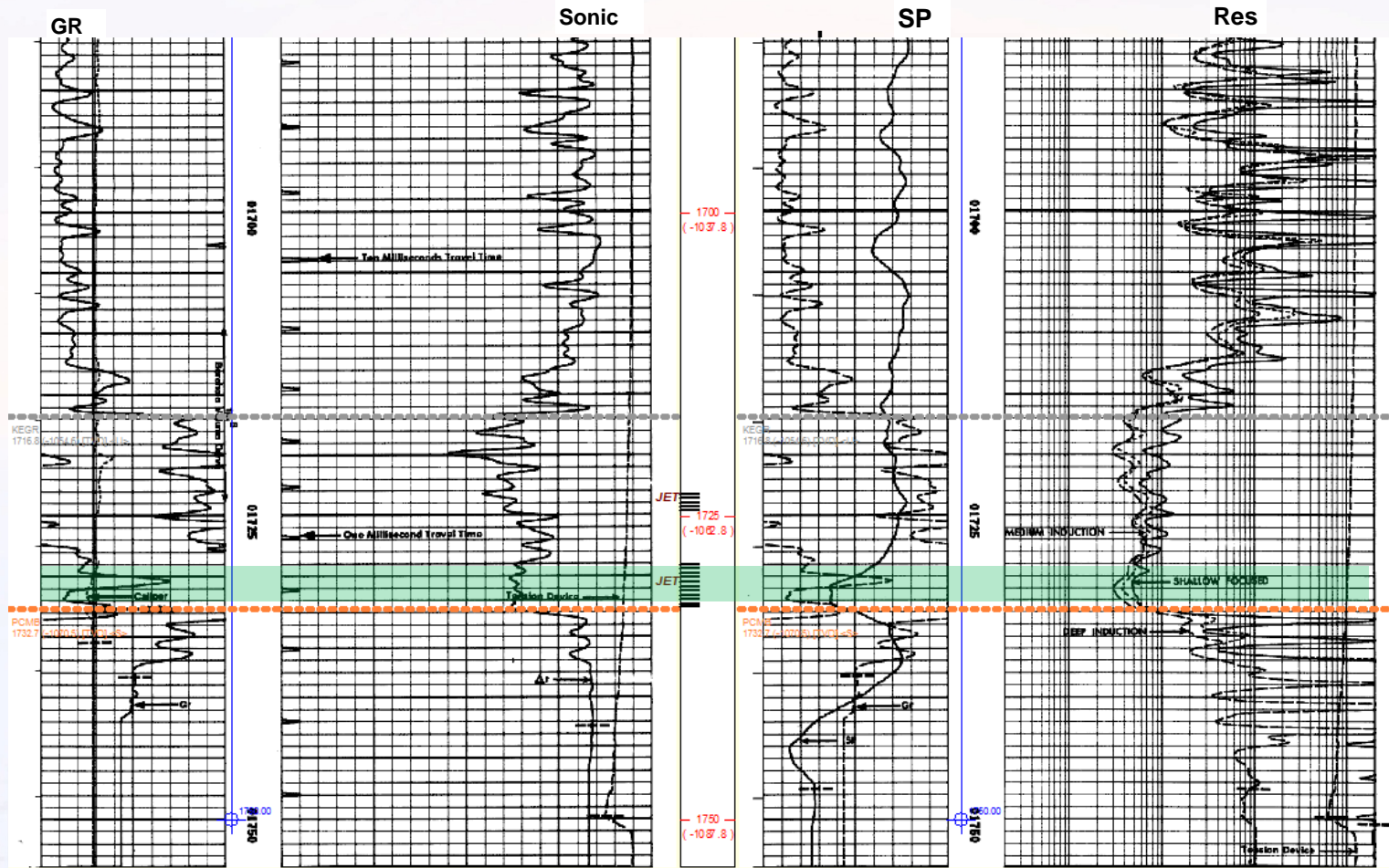


Plateau oil rate	~130 bopd
Cum. Oil produced	679,300 bbls



2.1.5: Typical Keg River Well

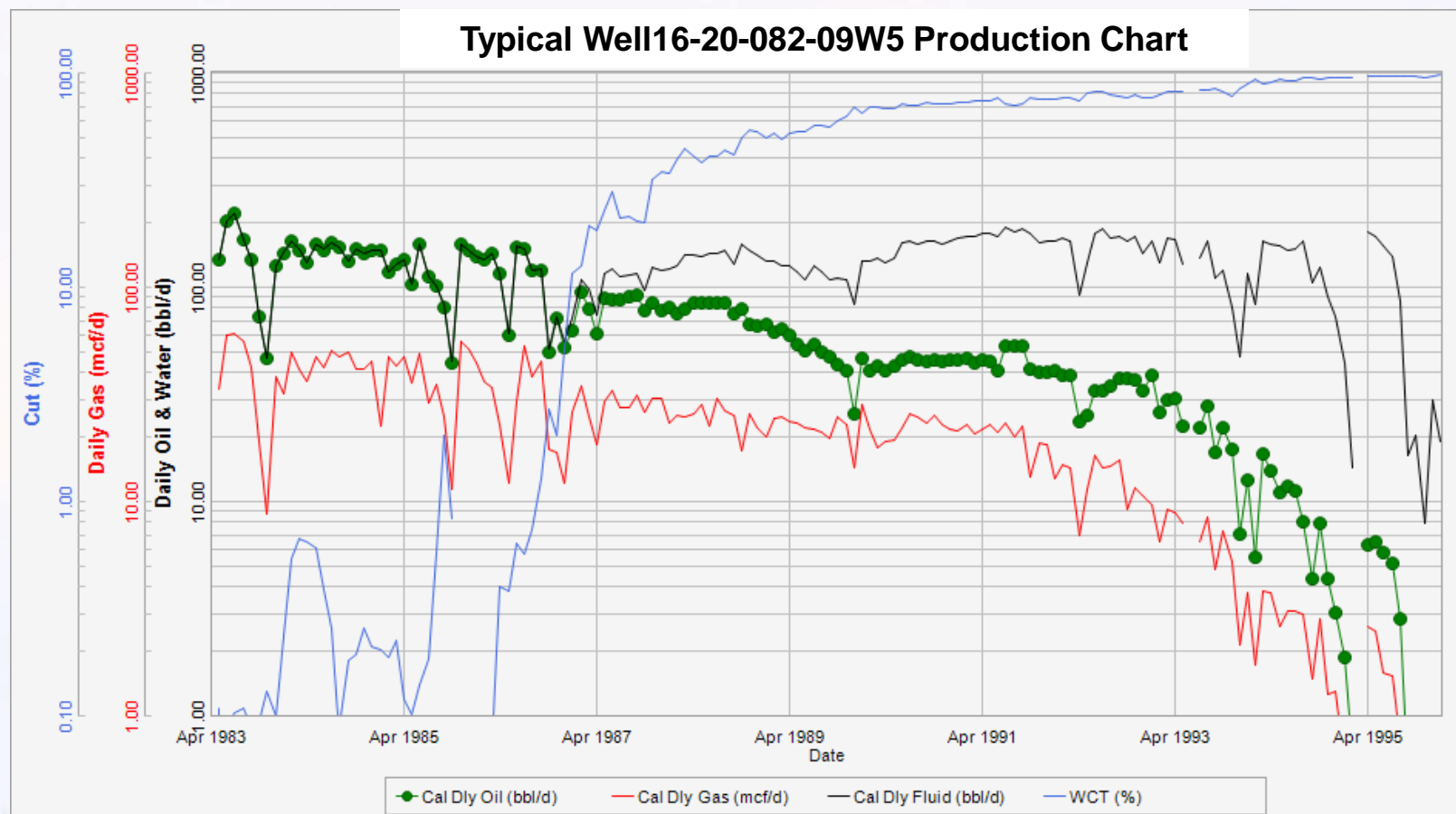
Typical Well 16-20-082-09W5



Well depth: 1750 meters
 Thickness in typical well: 4.0 meters
 Resistivity of the pay zone: 3 ohms

Average porosity: 18%
 Average permeability: 400 mD
 Average oil saturation: 68%

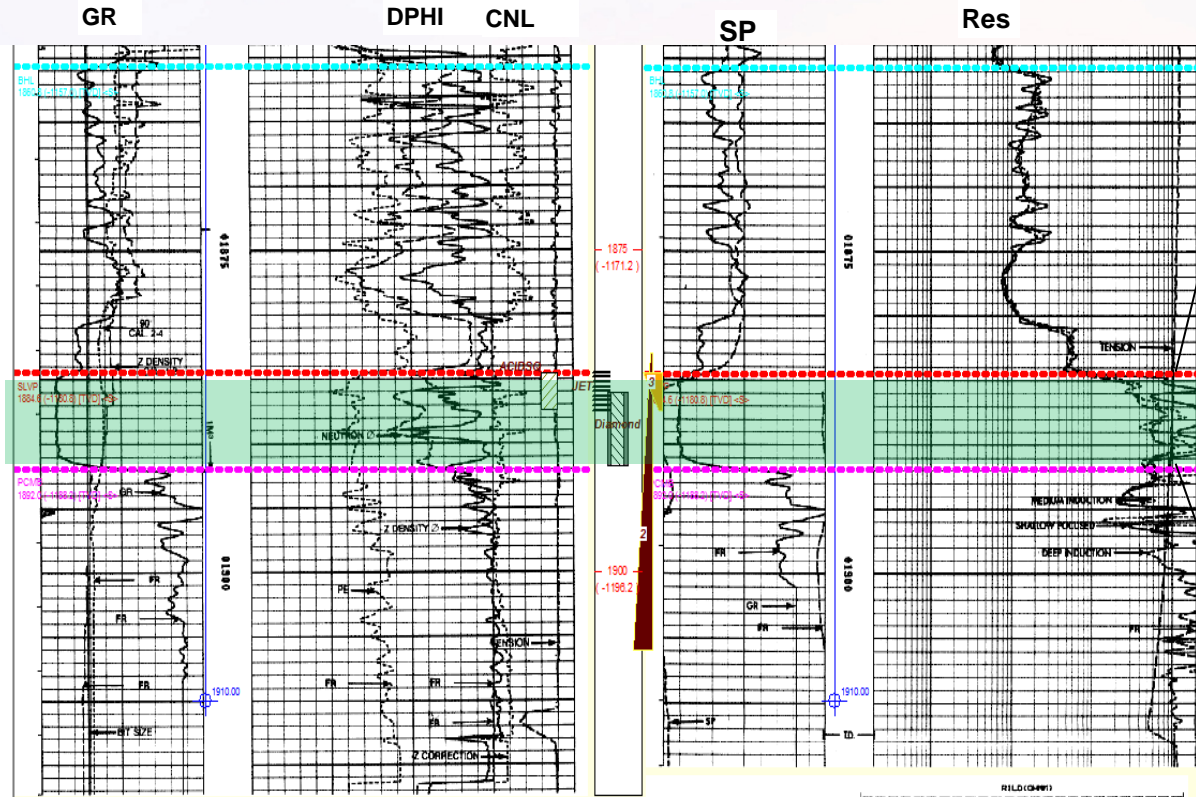
2.1.6: Typical Keg River Well



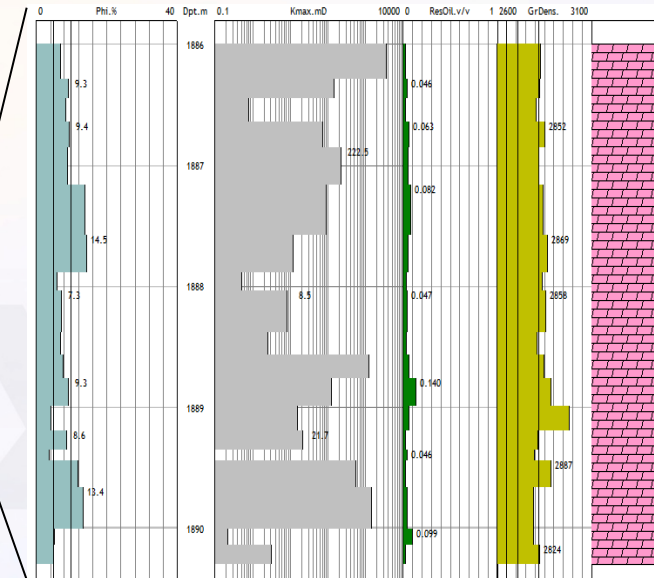
Initial Oil Production	200bbl/d
Cum. Oil produced	307,829 bbl

2.1.7: Typical Slave Point Well

Typical Well 06-30-081-14W5



Core Analysis



Depositional facies:

Reef

Well depth:

1950 meters

Thickness in typical well:

6.0 meters

Resistivity of the pay zone:

500 ohms

Average porosity:

10%

Average permeability:

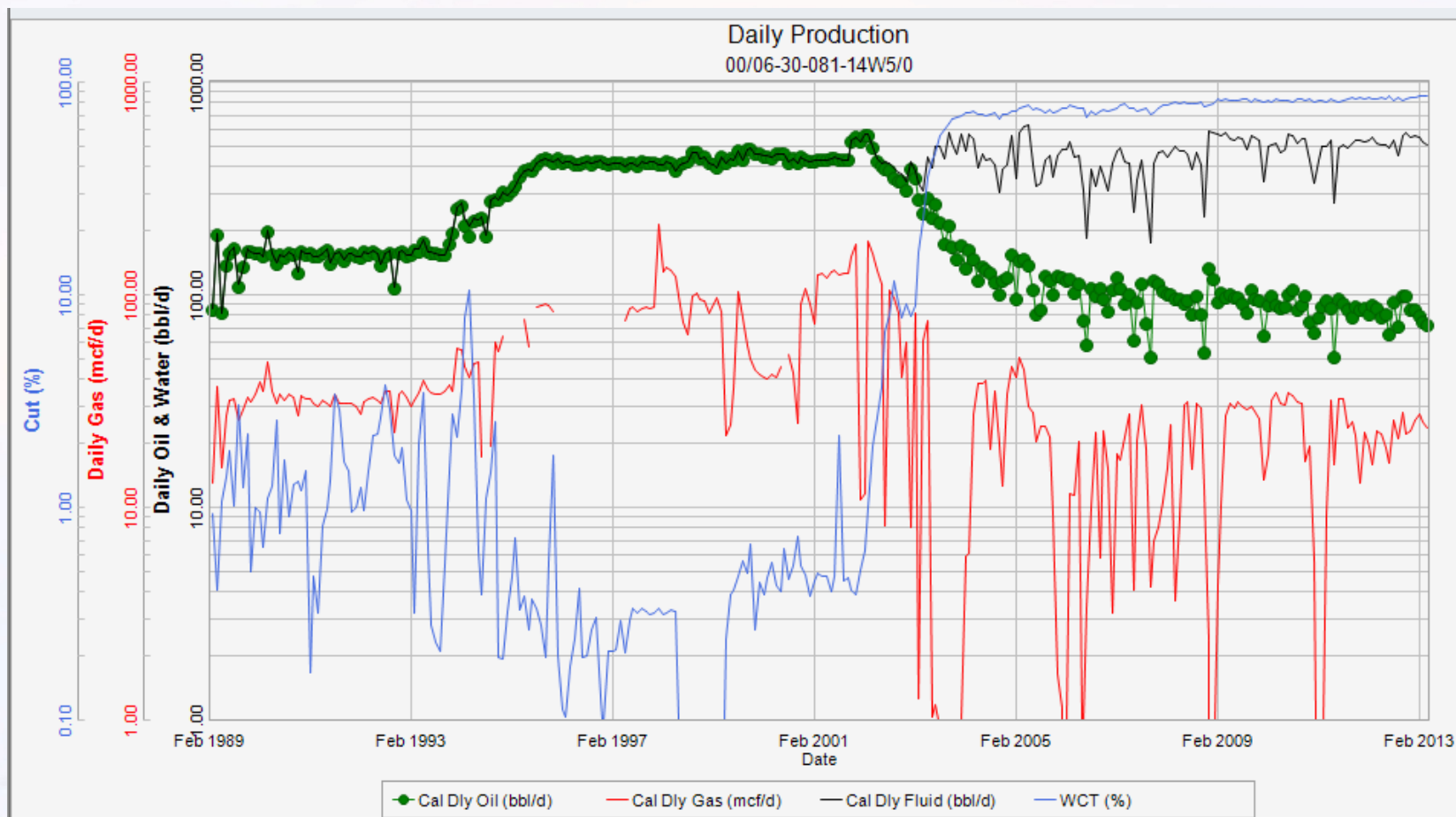
500 mD

Average oil Saturation:

90%

Core Area I – Typical Slave Point Well

Typical Well 06-30-081-14W5 Production Chart



Plateau oil rate	560 bopd
Cum. oil	2,018,136 bbl

2.1.8: Typical Granite Wash Well

Typical Well 11-01-085-10W5

GR

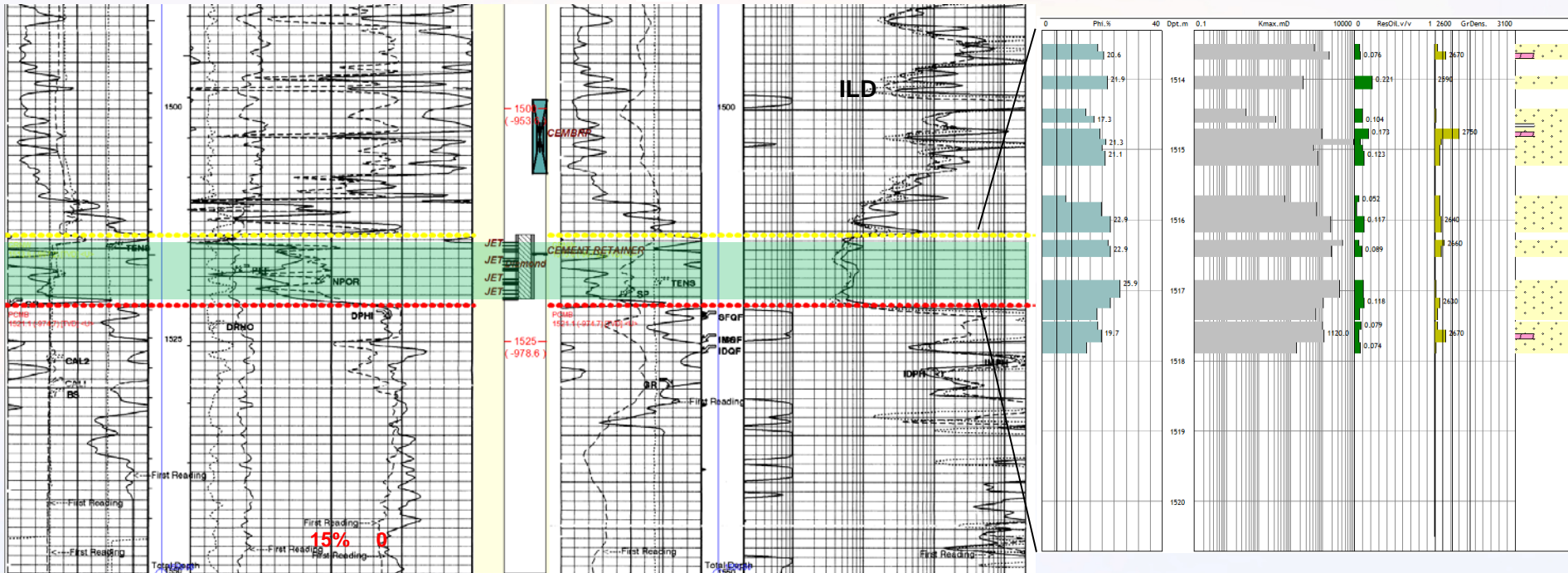
NPOR

DPHI

SP

Res

Core Analysis

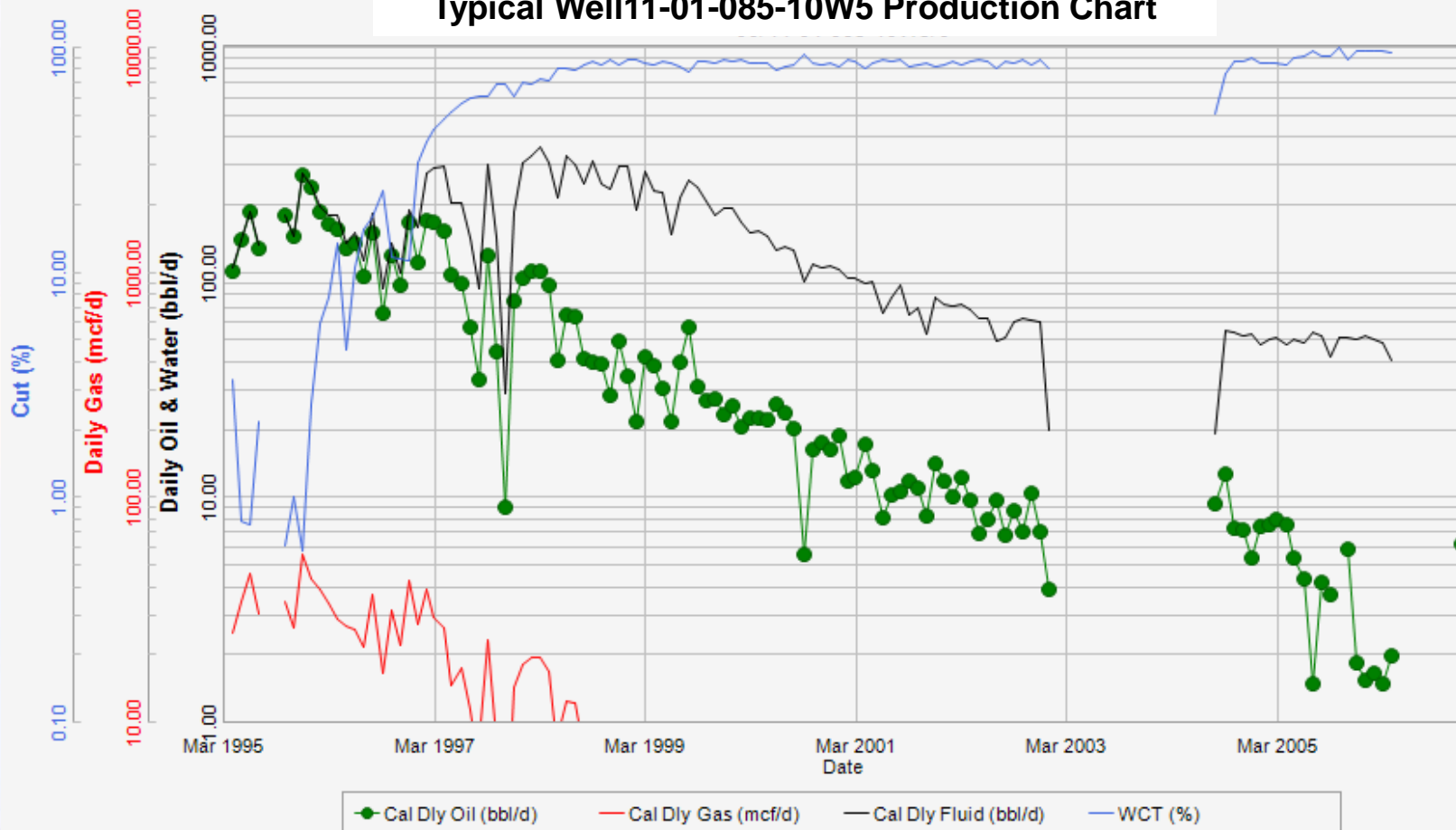


Well depth: 1550 meters
Thickness in typical well: 7.0 meters
Resistivity of the pay zone: 4 ohms

Average porosity: 20%
Average permeability: 670 mD
Average oil saturation: 62%

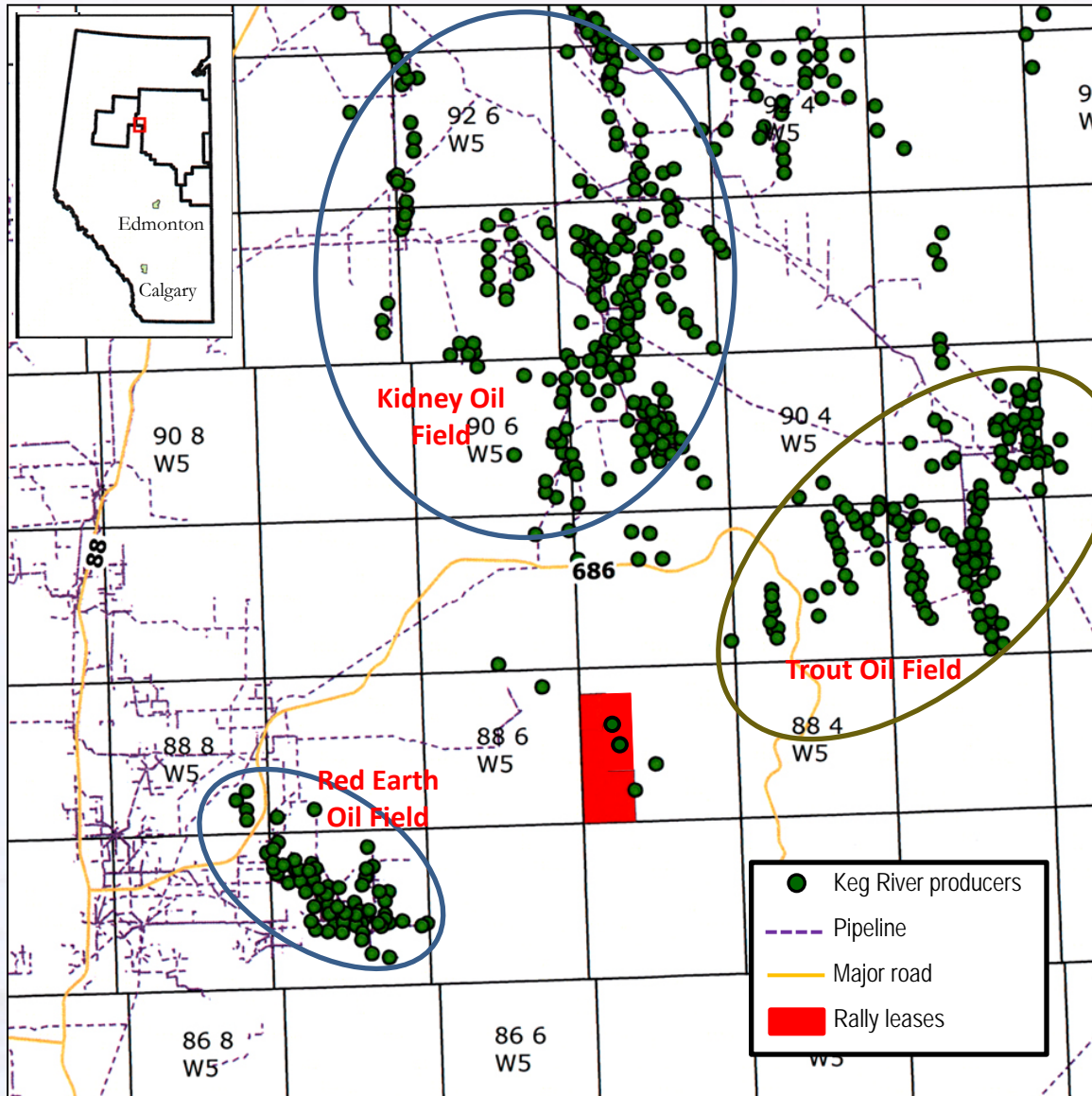
2.1.9: Typical Granite Wash Well

Typical Well11-01-085-10W5 Production Chart



Plateau oil rate	140 bopd
Cum. Oil produced	174,022 bbl

2.2: Core Area II - Red Earth



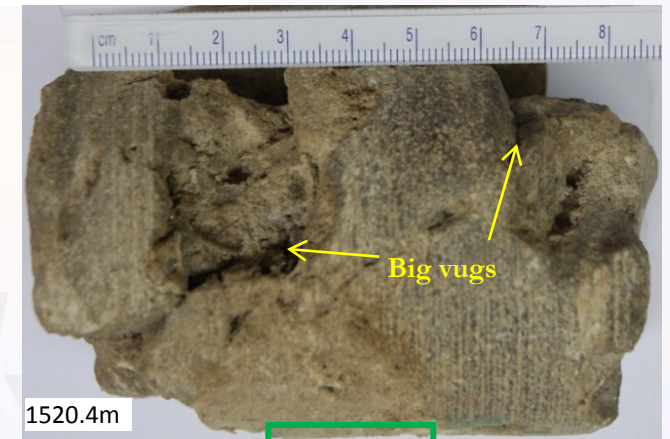
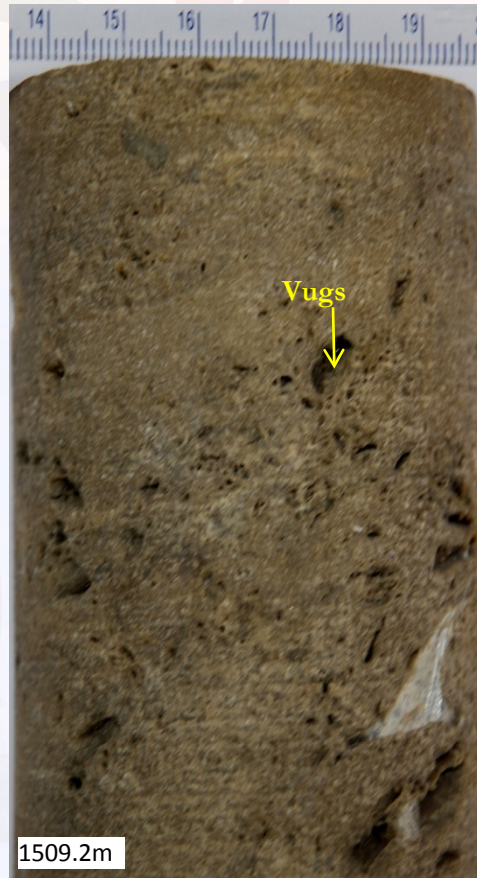
2.2.1: Red Earth – Porosity

Keg River Reservoir lithofacies and Porosity

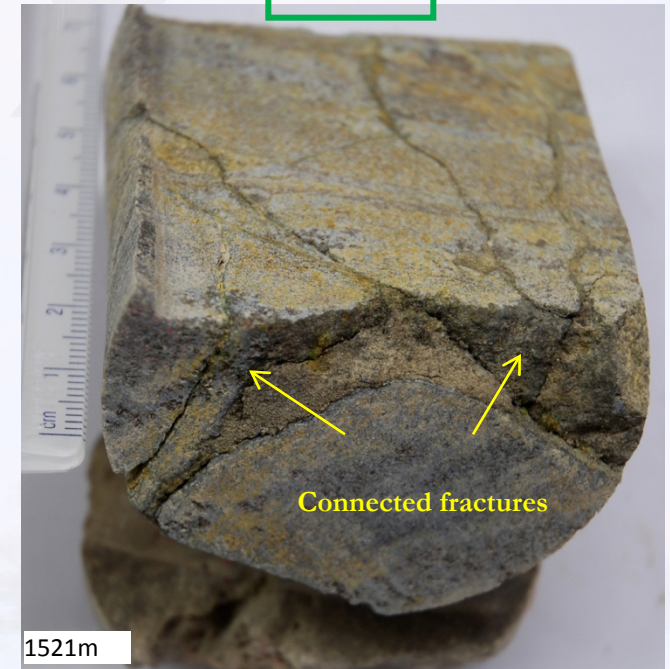


Well 04-09

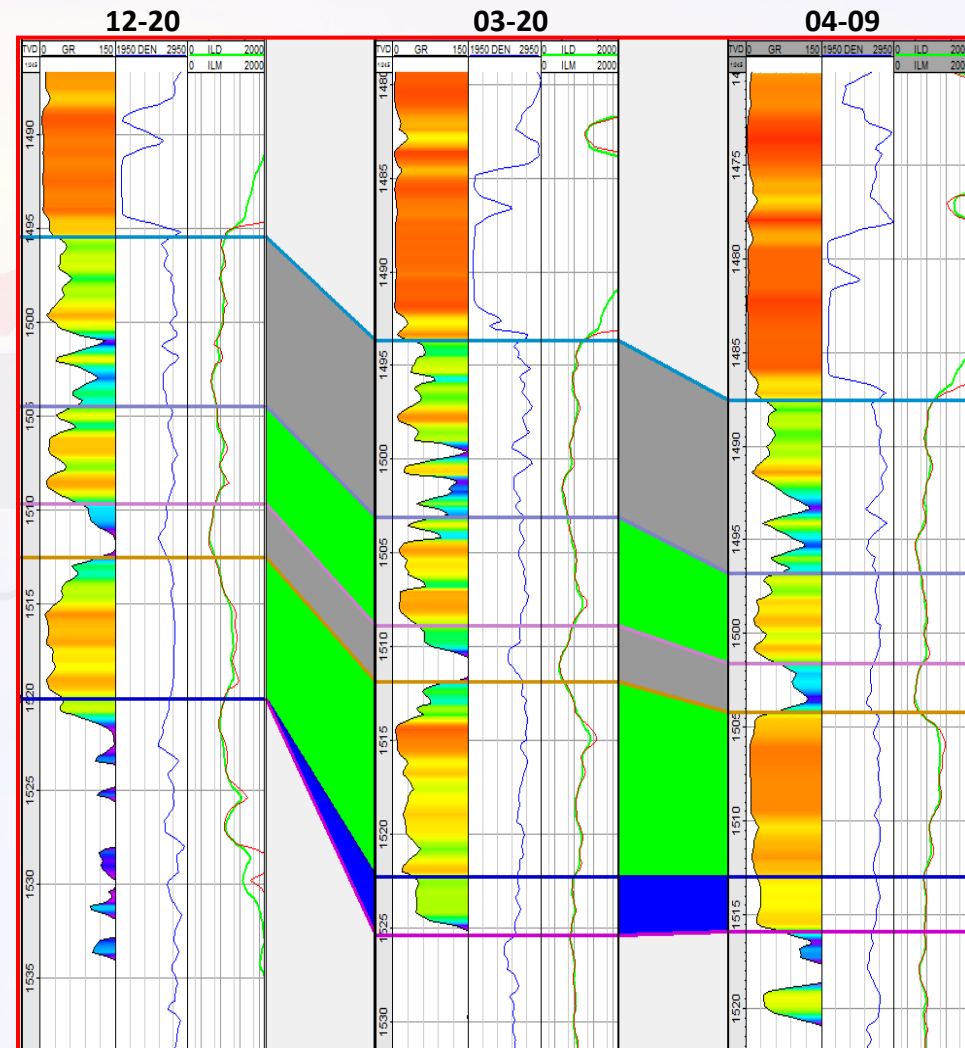
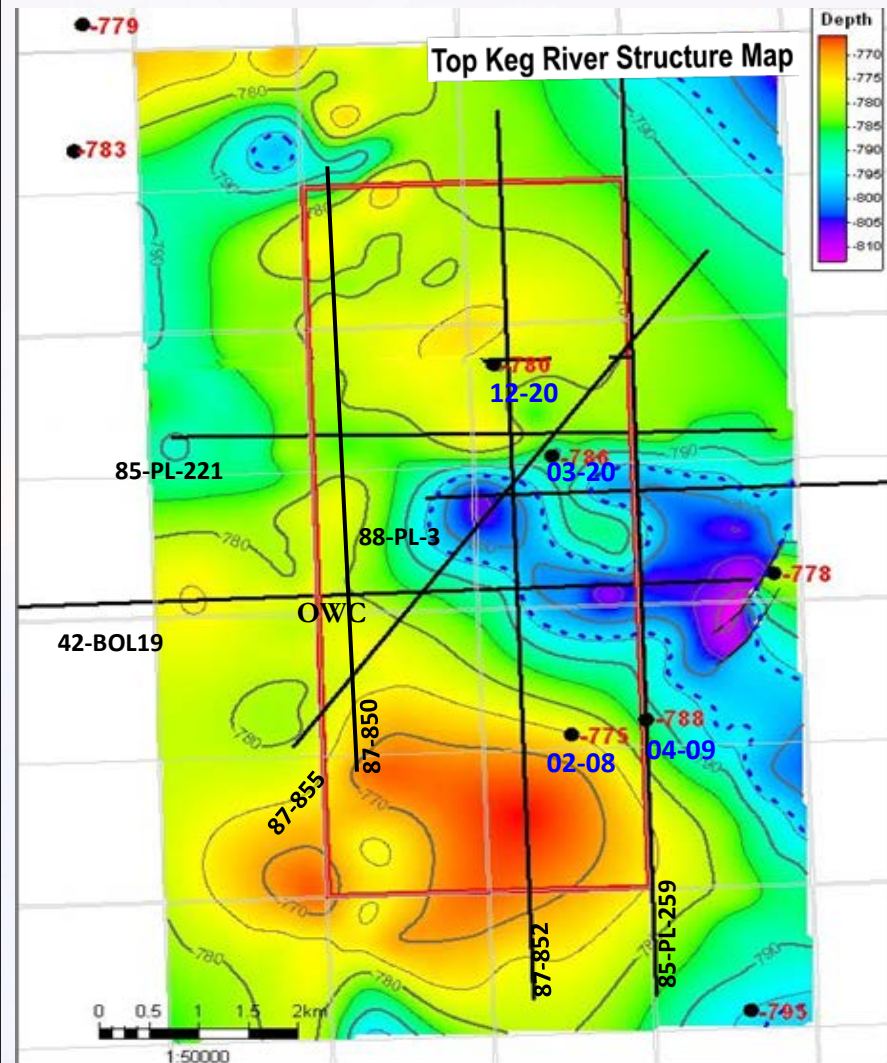
Reservoir: dolomite with vugs, pinpoint pores, fractures and intercrystalline pores.



Well 12-20



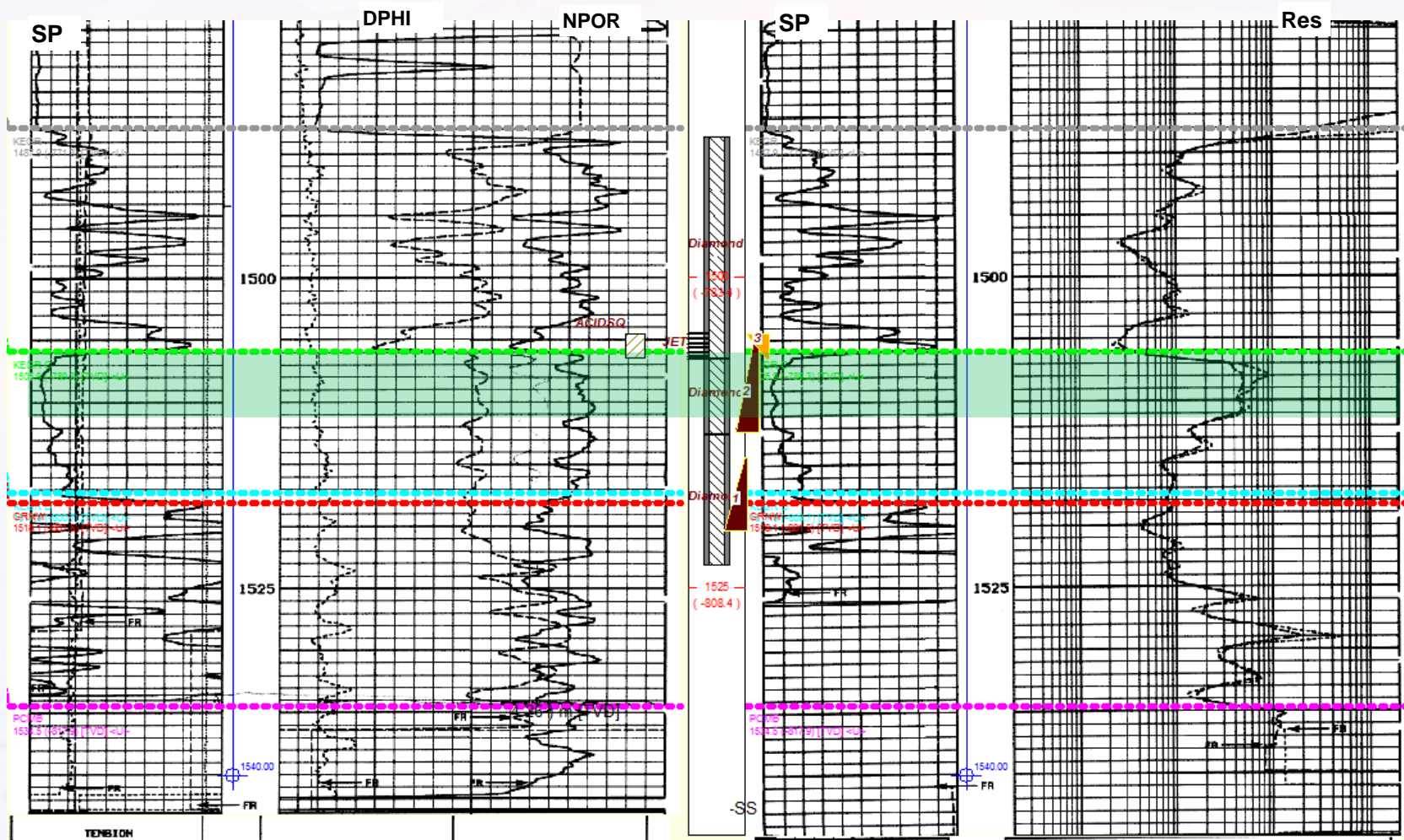
2.2.2: Red Earth - Well Correlation



There are upper and lower pay zones in Keg River formation in Red Earth land. The average depth is about 1500m, and the lower pay zone is the primary one. A regional shale interval is overlying on the pay zones acts as seal rock and Muskeg evaporates lie over it. There are two structural highs on our land, a south high and north high. It is believed that there is same oil water contact with subsea depth of 796m for the two highs. The oil column is about 30m, and most of the Rally land is at the location above the OWC . No water was found at well 12-20 and 02-08, which are at higher locations of the anticline.

2.2.3: Red Earth- Adjacent Typical Well

Logs of Adjacent Typical Well 04-09-088-05W5

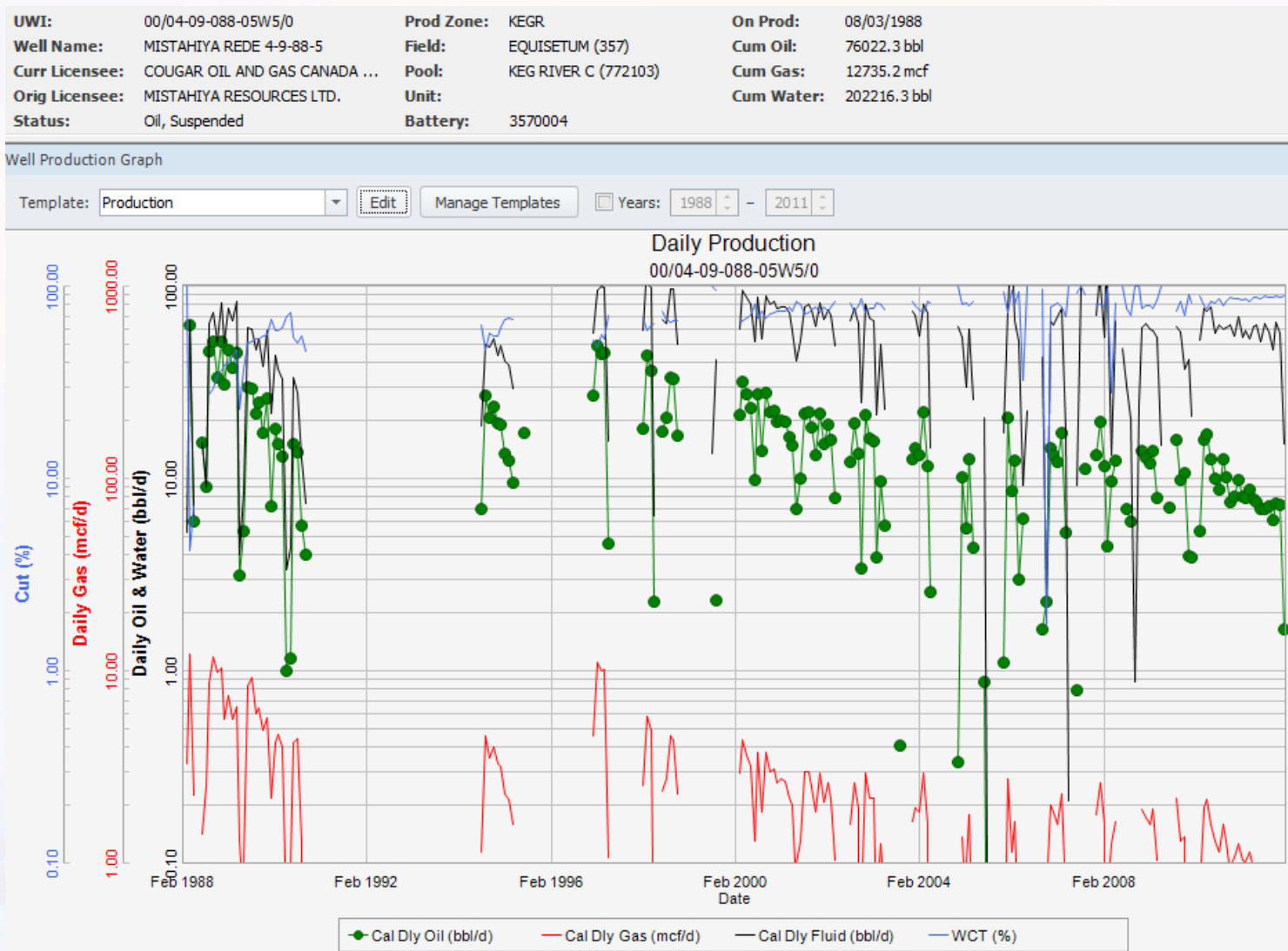


Well depth: 1550 meters
 Thickness in typical well: 5.2 meters
 Resistivity of the pay zone: 45 ohms

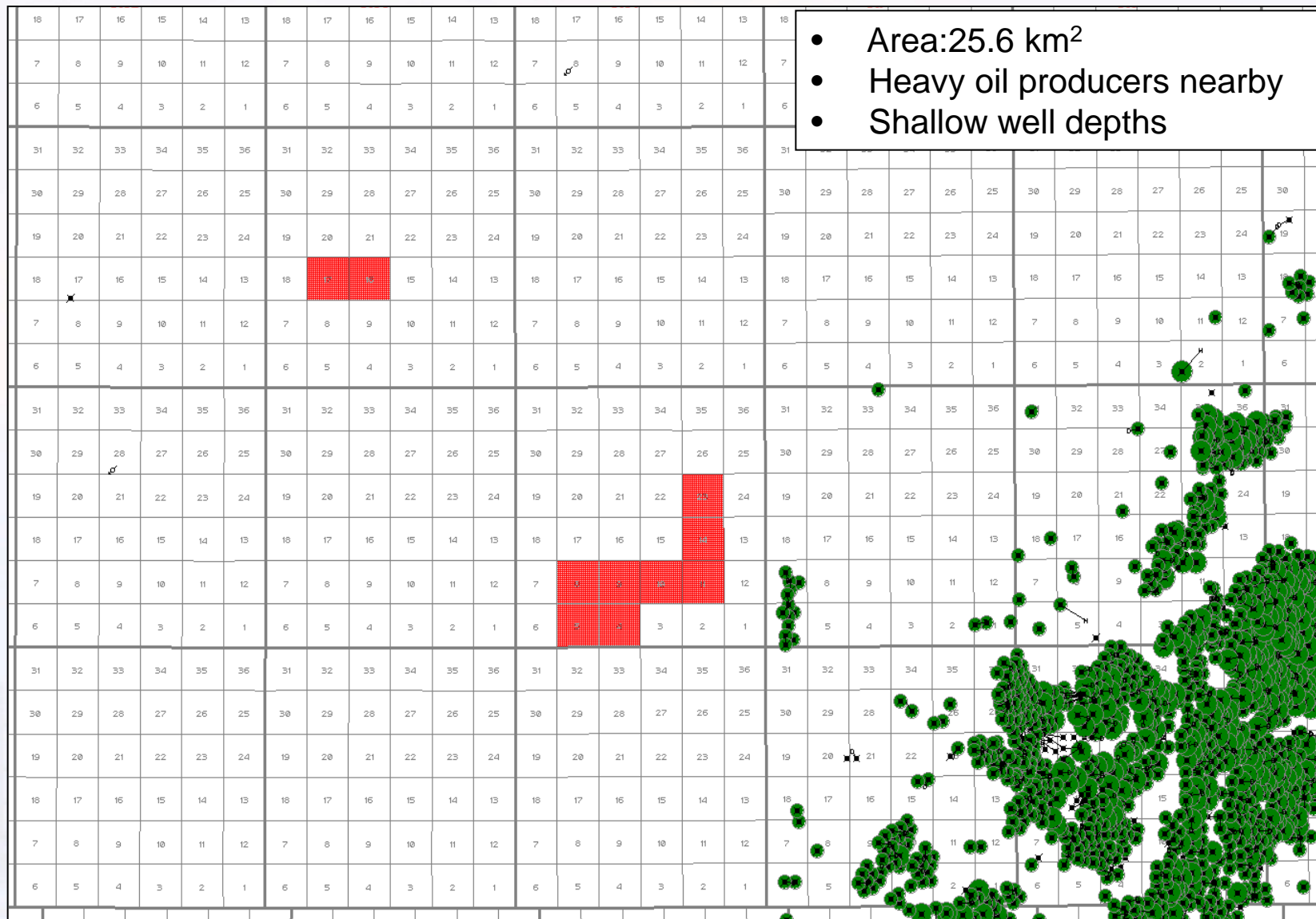
Average porosity: 8%
 Average permeability: 8mD
 Average oil saturation: 67%

2.2.3: Red Earth - Typical Well adjacent to Rally Land

Typical Adjacent Well 04-09-088-05W5 Production Chart

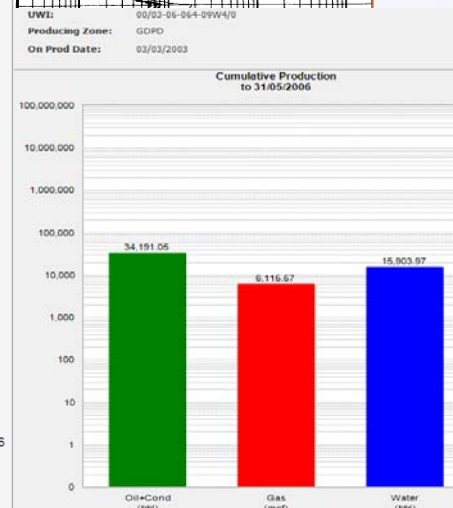
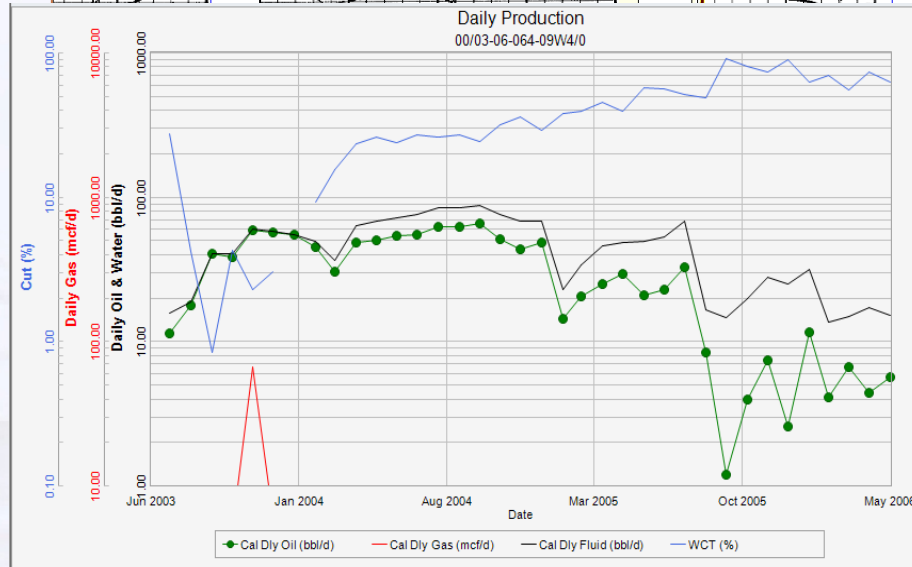
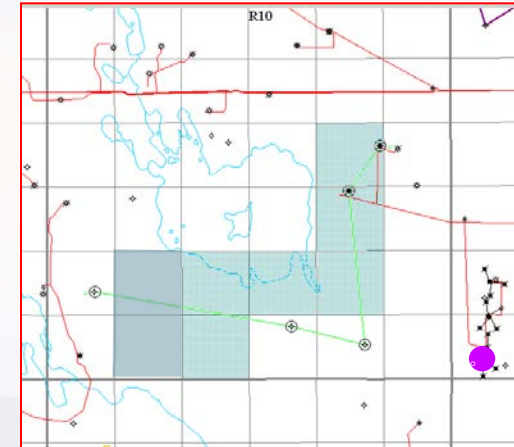
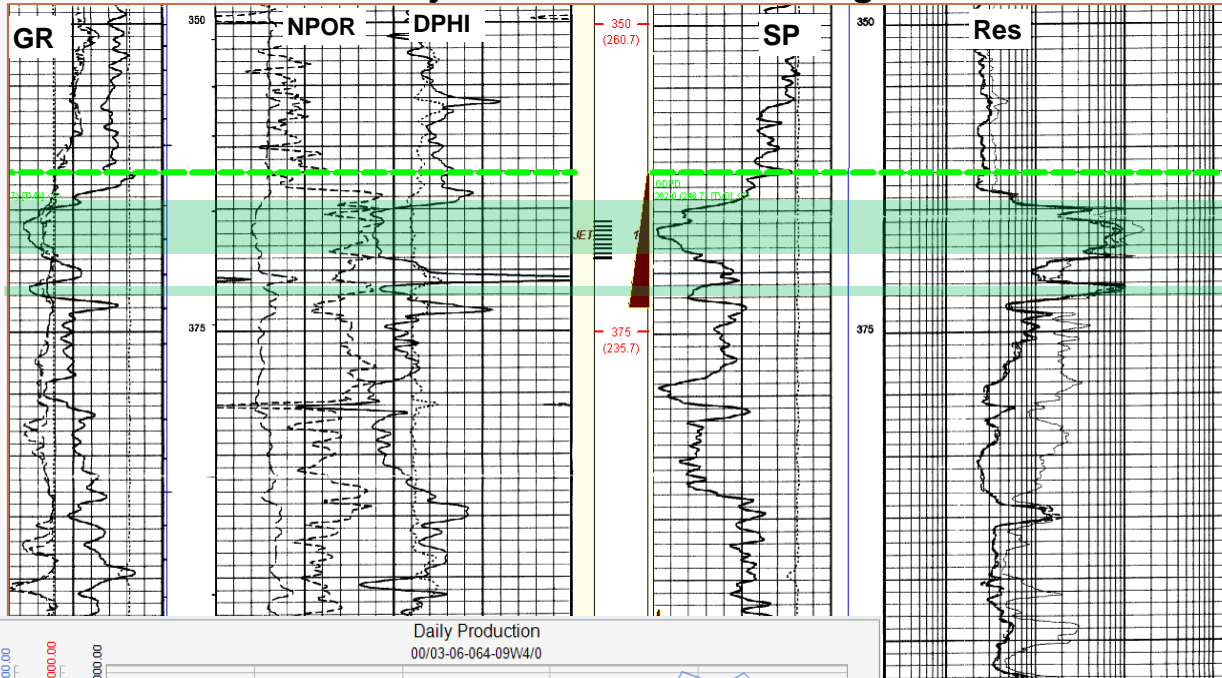


2.3: Core Area III - Lloydminster



2.3.1: Lloydminster – Well adjacent to Rally Land

Adjacent Devon Oil Well logs and Production Chart



The well has produced 32,598 bbls in less than three years. It is believed the well has achieved payout.

3. Business Plan 2014-2018

Drilling and Production Forecast

Area	Drilling	Success Rate	Production	Average Production	Total Production
	(wells)	(%)	(wells)	(bbl/d/well)	(bbl/d)
Utikuma Lake	40	75	30	65	1950
Red Earth	8	75	6	60	360
Total	48		36		2310

Drilling Plan: 48 wells

- Stage 1(2013-2016): 12 wells
- Stage 2(2017-2018): 36 wells

Financing: External financing of 75.0 million Canadian dollars

- Stage 1(2013-2016): External financing of 15.0 million dollars
- Stage 2(2017-2018): External financing of 60.0 million dollars

Producing Capacity: Building Annual Production Capacity of 830,000 barrels;
Daily production of 2,310 barrels by the end of 2018.

4. Financial Target

Short-term Goals :

Raising 15.0 million dollars to complete the first phrase of drilling and production plans

Medium-term Goals:

Raising 60.0 million dollars to complete the second phrase of drilling and production plans

Financing Share Price:

The estimated OOIP on Rally's land is approximately 350 million barrels. If the OOIP is valued at 10 cents per barrel, the company's asset value is about 35.0 million dollars. The total number of the shares to be issued is 53.75 million, hence the estimated share price is around C\$0.65

Financing Methods :

Financing will be accomplished by several strategies, such as equity participation (preferred), joint venture, or farmouts.

Pay Back Period :

3~5years

For more information, please contact:

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