

FORM 27

THE SECURITIES ACT (ONTARIO)

Item 1. Reporting Issuer

RALLY ENERGY CORP. , 2 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 1L6.

Item 2. Date of Material Change

March 26, 2001.

Item 3. Press Release

The Press Release was sent via BCE Emergis on March 26, 2001.

Item 4. Summary of Material Change

The Company issued a Press Release, attached hereto as Exhibit "A".

Item 5. Full Description of Material Change

No information other than that provided in Item 4 above is presently available.

Item 6. Reliance on Section 75(3) of the Act

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Senior Officer

Sandra J. Hall, President (416) 364-1698.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario this 27th day of March, 2001.

RALLY ENERGY CORP.

Per: "Sandra J. Hall"
President

Exhibit "A"

NEWS RELEASE

TORONTO, March 26, 2001...Rally Energy Corp., ("Rally") (CDNX: YRY) is pleased to announce that it has entered into an Agreement with Energy Power Systems Limited ("EPS") effective February 1, 2001, to sell certain oil and gas properties, located in the Sibbald Area of Alberta and Dover, Aldborough and Gosfield Areas of Ontario. Under the terms of the Agreement Rally has sold an average 25% interest in the Sibbald Property and interests ranging from 22.5%-6.25% in the Ontario Properties for consideration of \$600,000. Under the Agreement Rally has granted to EPS a six month option from the effective date to purchase an additional 25% average interest in the Sibbald Property.

The sale of the properties allows Rally to continue to participate in the ongoing production while providing Rally with capital to pursue additional opportunities of merit.

Rally Energy Corp., is a Canadian junior oil and gas exploration company with producing properties in Alberta and Ontario.

Number of common shares issued: 12,901,849

For further information contact: James I. Golla, Director (416) 364-1698.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.