



# Rally Canada Resources Ltd.

## **Presentation**

July 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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## 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 has 13 shareholders and 7 board members. It is the intent of the board of directors to change the corporate structure in the future.

- **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

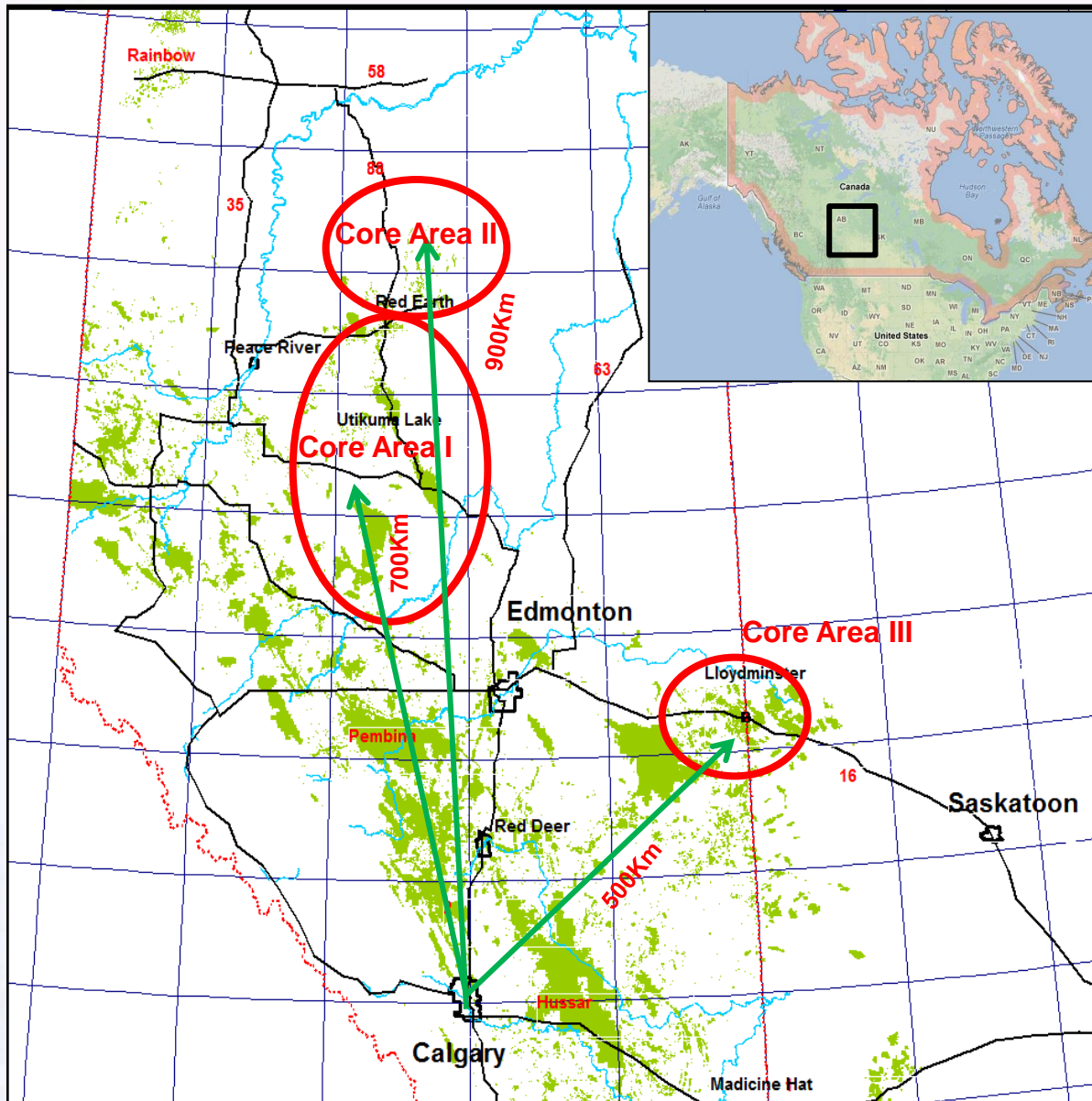
Rally plans to be a rapid growth company. The company has screened out 3 business core areas from Western Canadian Sedimentary Basin, which covers 1.6 million square kilometers. The core areas are Red Earth and Utikuma Lake light oil areas of Alberta, and the greater Lloydminster heavy oil area of both Alberta and Saskatchewan. Currently Rally holds 100% working interest in 785 Km<sup>2</sup> Crown Lands, and we plan to buy another 300 Km<sup>2</sup> Crown Lands in the coming year.

The company has clear goals and deliberate strategies. By 2018, 48 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 Km<sup>2</sup>

100% working interest

**Core area I - Utikuma Lake**

735 Km<sup>2</sup>

Light oil

**Core area II - Red Earth**

25.6 Km<sup>2</sup>

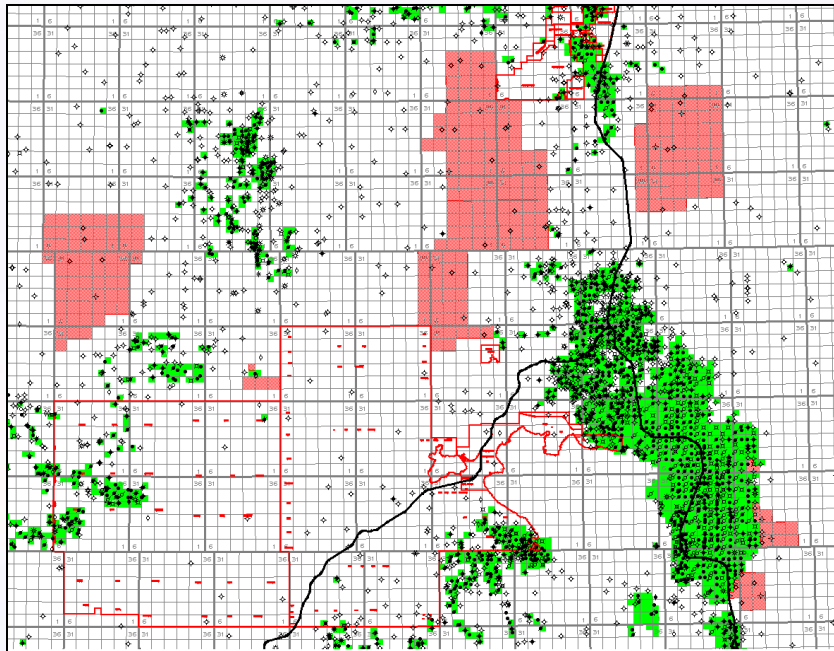
Light oil

**Core area III - Lloydminster**

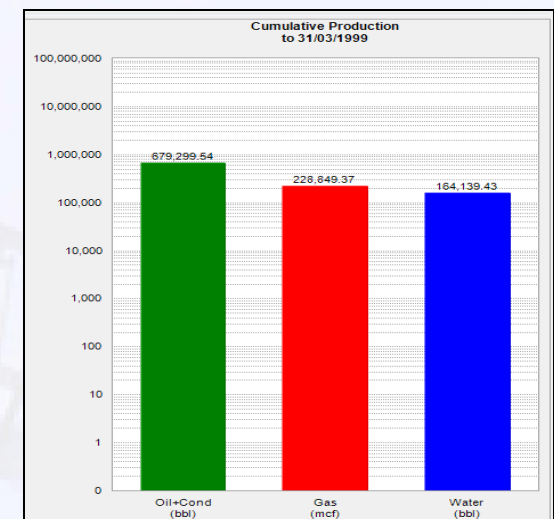
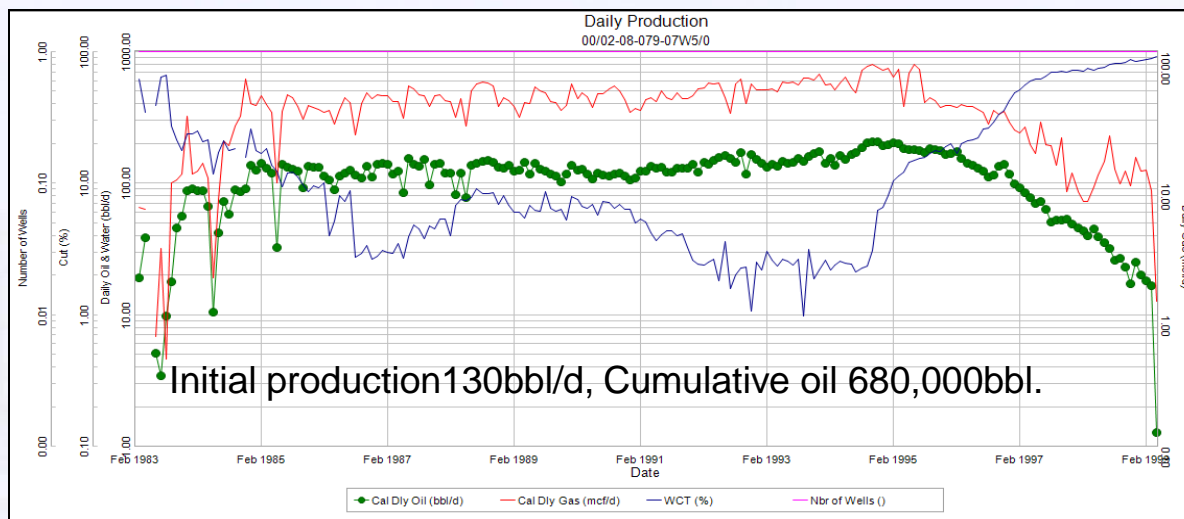
25.6 Km<sup>2</sup>

Heavy oil

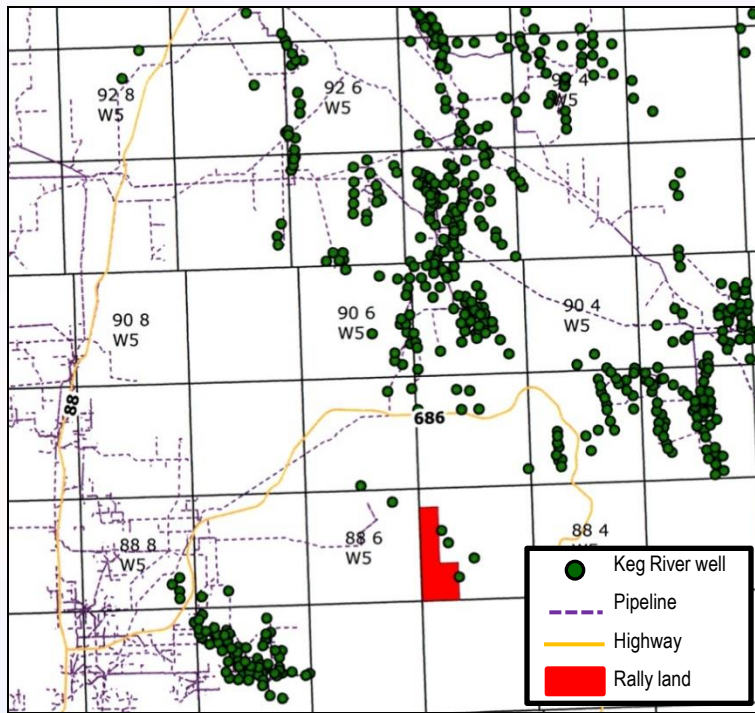
## 2.1: Core Area I - Utikuma Lake



- Asset area: 735 Km<sup>2</sup>
- 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



## 2.2: Core Area II - Red Earth

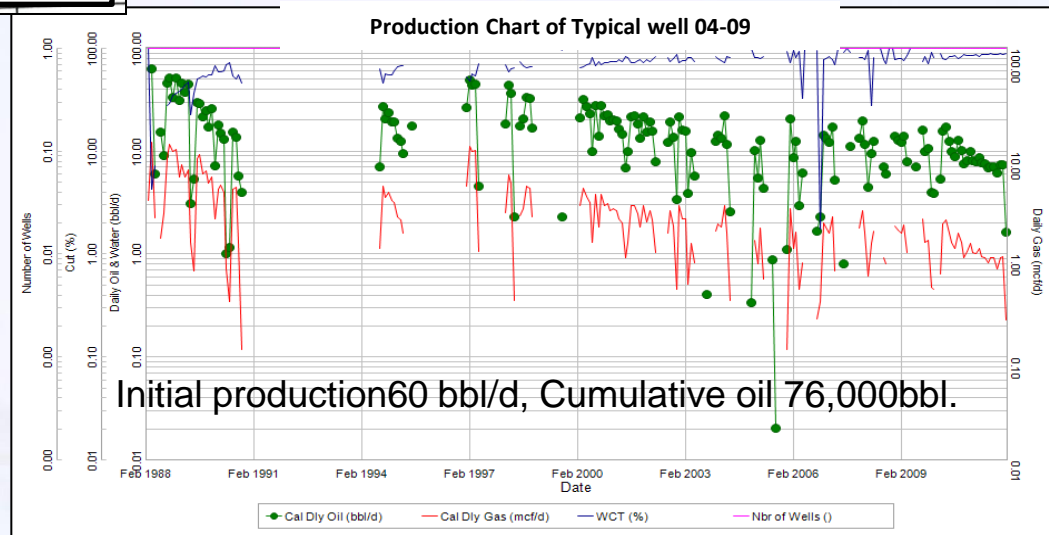
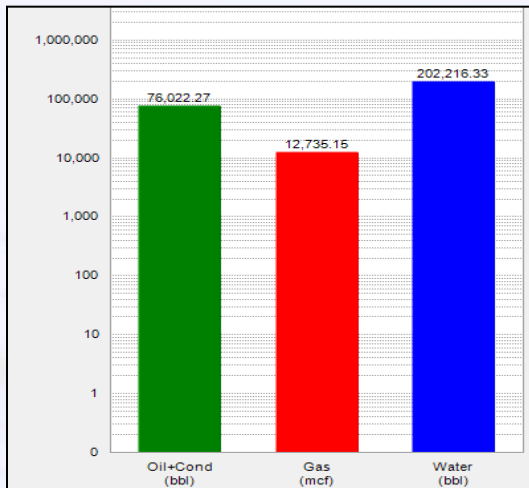


Area: 25.6 Km<sup>2</sup>

Main production zone is Keg River Formation

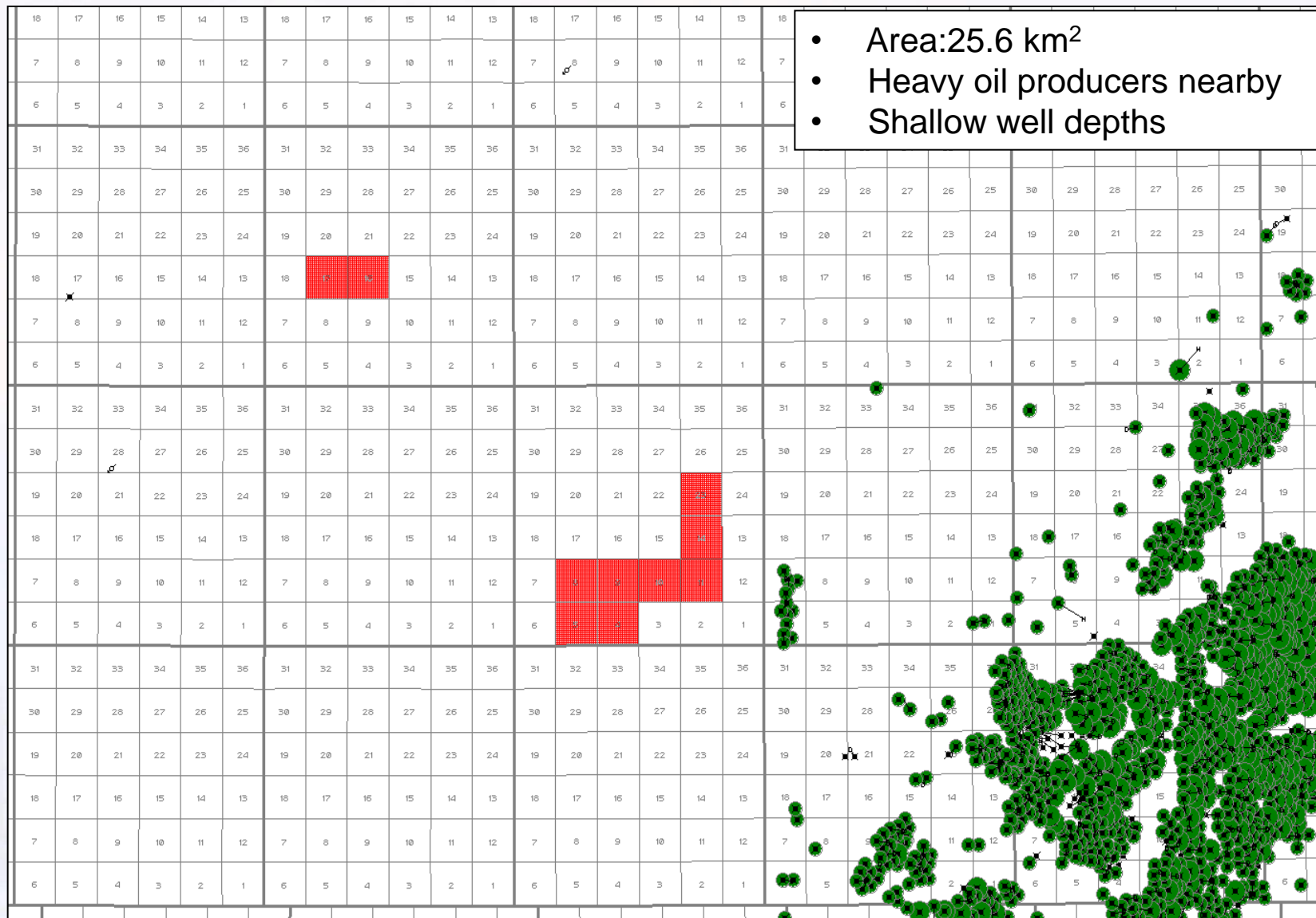
Three Keg River wells, two of which were oil producers and one is petro-physically interpreted to be oil-bearing, are on our land

Close to a provincial road that leads to a oil gathering center at Red Earth





## 2.3: Core Area III - Lloydminster



### 3. Business Plan 2013-2018

#### 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:** Annual Production Capacity of 830,000 barrels; Daily production of 2,310 barrels.

## 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 53,750,000, 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

## 5. Contacts

For more information, please contact:

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