

PRESS RELEASE

TEXALTA PETROLEUM LTD.

September 26, 2005

TEXALTA ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Texalta Petroleum Ltd. is pleased to announce the closing of its flow-through private placement previously announced on July 13, 2005. The offering was over subscribed by \$131,950.05 resulting in total gross proceeds to the Company \$1,131,949.95.

All subscribed shares and Warrants are subject to a hold period expiring January 15, 2006.

Texalta has immediate plans to commence drilling operations on their Saskatchewan properties, which call for two wells to be drilled and completed before Dec. 31, 2005 in the West Queensdale area and another three wells are planned for the first half of 2006.

The drilling prospects are centered on seismic anomalies located by the Company's proprietary seismic and geological studies, and by previous successful work in the greater Wordsworth – Queensdale producing areas of southeast Saskatchewan.

With respect to EP's 103 and 104 in the Georgina Basin, Australia, the Company has made significant progress as a result of the Mediation process involving the N.T. Government and the Central Land Council. We anticipate that all outstanding issues will be resolved in the near future and that work can commence on the project by January 2006. Government researchers have estimated that individual trapping situations in the Georgina Basin contain oil and gas reserves well in excess of 100 million barrels.

Texalta's Class A shares trade on the TSX Venture Exchange under the symbol TEX.A.

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