



Trading Symbol: TEX.A : TSX Venture Exchange

December 19, 2005

AGREEMENT IN AUSTRALIA

Georgina Basin, Northern Territory ("N.T.")

Texalta Petroleum Ltd. ("TEX.A") has now reached a mutually satisfactory conclusion to the long term negotiations with the Central Land Council representing Native title interests on Exploration Permits EP(A)103 and EP(A)104 located in the Georgina Basin, Northern Territory ("N.T.") of Australia. We expect the formal Agreement to be finalized in February 2006 and work to commence thereafter.

N.T. Government researchers have estimated that individual trapping situations in the Georgina Basin contain oil and gas reserves well in excess of 100 million barrels.

TEX.A has engaged in the exploration, acquisition and development of prospective oil & gas properties in Saskatchewan and Alberta since its incorporation in 1987. The Company also holds a 50 percent working interest in two exploration permits covering in excess of 5.5 million acres of prospective land in the Georgina Basin, Northern Territory, Australia.

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