



Trading Symbol: TEX.A : TSX Venture Exchange

**January 4, 2006**

## **DRILLING RESULTS**

In December of 2005, Texalta Petroleum Ltd. ("TEX.A") participated in the drilling of two exploratory wells in the South Wildwood and West Queensdale areas of Saskatchewan.

The first well at South Wildwood was drilled on a farmout basis so that the well was drilled at no cost to Texalta. This well was drilled on a seismic anomaly at the producing Mississippian Alida level. The anomaly proved to be a channel like development of the Kisbey Sandstone (or Alida level), which was saturated with oil but proved to be impervious, and the well has been abandoned.

In the second well at 10-25-6-2 W2M West Queensdale, Texalta had a 25.55% working interest. This well was located on the southwest side of a structure upon which Texalta and partners had located a successful oil well in May of 2005. This well encountered the oil pay zone at a lower level than planned and because of relatively poor reservoir strata, this well has also been abandoned. The sonic results of this will be incorporated into our seismic interpretation of this oil bearing structural feature that has important implications for Texalta and partners.

These 2 wells do not materially effect the company and validate the presence of oil bearing structures as anticipated. Texalta remains fully funded to drill three major wells, as previously announced, as soon as a rig becomes available.

**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.

### **Contact Information:**

Mr. William H. Nixon, President

Telephone:(403) 255-8380

Fax: (403) 255-8007

Email [texalta@texalta.com](mailto:texalta@texalta.com)

Web: [www.texalta.com](http://www.texalta.com)

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