



Trading Symbol: TEX.A : TSX Venture Exchange

January 18, 2006

**PIPELINE PROJECT UNDERWAY
NEW WELL TO BE LICENCED**

Texalta Petroleum Ltd. (“**TEX.A**”) announces that work will begin today on the pipeline to tie the Petrex Texalta Queensdale W. 8-25-6-2 W2 well in to the battery facility at 8-26-6-2 W2. Environmental concerns caused a delay in completion of the creek crossing which have now been addressed and the project should be complete in the next 7-10 days. Upon completion, sales of associated gas from the 8-25 well will begin.

Texalta also announces it is submitting an application for a drilling licence for the Texalta et al 10-14-7-3 W2M well in the Wordsworth area of southeast Saskatchewan.

Texalta remains fully funded to drill three prospect areas in Saskatchewan, as previously announced, as soon as a rig becomes available.

TEX.A is engaged in the exploration, acquisition and development of prospective oil & gas properties in Saskatchewan and Alberta. 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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