



Trading Symbol: TEX.A : TSX Venture Exchange

February 24, 2006

EXPLORATION PERMITS UPDATE

Georgina Basin, Northern Territory (“N.T.”)

Texalta Petroleum Ltd. (“TEX.A”) reached a mutually satisfactory conclusion to its negotiations with the Central Land Council (“CLC”) representing Native title interests on Exploration Permits EP(A)103 and EP(A)104 located in the Georgina Basin, N.T. of Australia in December 2005.

Initial expectations were that the formal Agreement would be finalized in February 2006 with work to commence thereafter. Due to the fact that the formal Agreement has to be ratified by the various groups of Native Title Claimants at meetings in the Outback scheduled for April and May of 2006, it is probable that Permits will not be issued to Texalta and its Australian partners until June 2006.

The Agreement with the CLC will cover both the exploration and production phases of the permits so it will not be necessary for any further negotiations to occur during the life of the project.

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 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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