



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

July 6, 2006

CORPORATE UPDATE

Texalta Petroleum Ltd. (“**TEX.A**”) is pleased to report that all substantive issues pertaining to the Native Title Agreement have been resolved. Central Land Council execution of the agreements is expected and the company anticipates that Permits 103 and 104 in the Georgina Basin, N.T. will be issued to Texalta and its Australian partners before September 1, 2006.

Once the Permits are issued, the company intends to begin the work program by reprocessing existing seismic data and shooting new seismic to identify drilling locations. 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.

Texalta also reports that it has accepted the resignation of Ronald J. Kirschner from his position as a Director effective immediately. Mr. Kirschner served on the Board of Directors since May 25, 2002 and as a member of the Audit Committee. The company wishes Mr. Kirschner the very best of success in his future endeavours and thanks him for his contributions to the Board. The company is currently reviewing several candidates to fill board vacancies.

TEX.A is engaged in the exploration, acquisition and development of prospective oil & gas properties in Saskatchewan and Alberta, Canada. The company holds a 50 percent working interest in two exploration permit applications covering in excess of 5.5 million acres of prospective land in the Georgina Basin, Northern Territory, Australia.

This press release includes certain forward-looking statements. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.

Contact Information:

Mr. William H. Nixon, President

Telephone: (403) 255-8380

Fax: (403) 255-8007

Email texalta@texalta.com

Web: www.texalta.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.