



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

July 27, 2006

GEORGINA BASIN, AUSTRALIA UPDATE

Texalta Petroleum Ltd. ("TEX.A") is pleased to report that the Native Title Agreement has been signed by all relevant claimants and will be signed by the Central Land Council at a meeting scheduled for this week. A Tripartite Deed regarding Exploration Permits 103 and 104 will then be forwarded to the Northern Territory government for execution. The company's legal representatives in Australia have advised that the Permits should be granted to Texalta and Partners by early to mid August.

The Board of Directors of Texalta has passed a special resolution that the company will be reviewing proposals from potential national and multi-national partners pertaining to the company's proposed international exploration opportunities.

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.

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