



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

July 31, 2006

WORDSWORTH UPDATE

Texalta Petroleum Ltd. (“**TEX.A**”) reports that a hydraulic pumping unit has been installed on the Texalta et al Wordsworth East 2A2-23-4B11-14-7-3 W2 horizontal well. The well initially flowed as high as 856 bbls/d without pump assistance however, to stabilize the rate of production and to prevent wax build up, the temporary unit will ensure that the well produces at a steady rate while arrangements are made for a permanent pumping unit. Currently production from this well is averaging 250 bbls/d.

The new well was on production for 408 hours during the month of June and produced a total of 740.2 m3 (4656 bbls) of which 678.68 m3 (4269 bbls) were shipped. The company anticipates that the HZ 2A2-23 well will produce in excess of 7700 bbls during the month of July 2006

Texalta’s share of June production from the West Queensdale wells combined with the new Wordsworth well totals 2742 bbls representing a 210% increase in total production over the month of May 2006.

New seismic data has been acquired for the Wordsworth project and is now being incorporated into the existing database. This information will assist in finalizing the location for a follow-up horizontal well scheduled to spud as soon as practicable.

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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