



## PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

October 5, 2006

### GEORGINA BASIN, AUSTRALIA UPDATE

### NOTICE OF INTENT TO GRANT PERMITS

Texalta Petroleum Ltd. (“**TEX.A**”) is pleased to announce that it has now received from the Department of Primary Industry, Fisheries and Mines of the N.T. Government in Australia, Notices of Intent to Grant Exploration Permits 103 and 104 to Texalta Petroleum Ltd. and its Australian partners A.F.G. LeBrun, J.F. Allender and A.J. Hosking.

The Notice of Intent to Grant is structured as an offer which requires written acceptance by Texalta and partners of the terms, conditions and work program obligations as laid out in the Notice together with the Department’s receipt of a security deposit for each Permit. The formal grant of the Permits will be executed by the Minister for Mines and Energy upon receipt of the aforementioned.

Texalta and its Australian partners have taken immediate action to comply with the Minister’s request to meet the October 28, 2006 deadline for acceptance.

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*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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