



## PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

December 5, 2006

### TEXALTA TO PURCHASE ADDITIONAL 50% INTEREST IN AUSTRALIAN PERMITS

Texalta is pleased to announce that it has entered into an Agreement to purchase the 50% interest in Exploration Permits 103 and 104 held by its Australian partners. Subject to regulatory approval, each of the three partners, as Vendors, will receive 500,000 Class "A" Common Shares of Texalta (total 1,500,000) and 500,000 warrants to purchase Class "A" Common Shares of Texalta (total 1,500,000) at a price of \$1.75 CDN. The warrants are for a term of two years and will terminate on December 15, 2008. The Class "A" Common Shares will be held in an Escrow Account in Adelaide, Australia and will be released to the Vendors on December 15, 2007.

Texalta will then hold 100 % of the Permits that cover approximately 22,260sq km of the Georgina Basin in the Northern Territory.

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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 100 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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*This press release may include 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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