



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

January 24, 2007

NORMAL COURSE ISSUER BID

TEXALTA PETROLEUM LTD. announces that in accordance with the Regulations of the TSX Venture Exchange, it will commence a normal course issuer bid on January 29, 2007 that will expire on January 28, 2008. Texalta may acquire up to 1,735,868 Class A shares under the Bid, which amount represents 5% of Texalta's outstanding Class A shares.

Texalta is making the normal course issuer bid as it believes the current market price for its Class A shares does not reflect the underlying value of the Company's shares. Successful exploration and development are the best value generators in the oil and gas business, however repurchasing of undervalued shares also advances this objective by reducing the equity base and spreading profits over fewer shares.

TEX.A is engaged in the exploration, acquisition and development of prospective oil & gas properties in Saskatchewan and Alberta, Canada. The company currently has cash flow from 13 wells in Saskatchewan with plans for several new wells in 2007. In addition, Texalta 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.

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