



## PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

February 20, 2007

### Saskatchewan Drilling and Australia Update

TEXALTA PETROLEUM LTD. would like to advise that the drilling of a horizontal development well known as the Petrex Texalta Queensdale West HZ 4A9-25 / 2D15-25-6-2 W2 will commence on Thursday February 22, 2007. This well should take about 10 days to complete. This well is a follow up to the horizontal well known as the Petrex Texalta Queensdale West HZ 1A9-25 / 2C1-25-6-2 W2 completed in December 2006, which is producing oil and associated gas at a rate of approximately 120 boe/d. Texalta holds a 25.55% working interest in these two wells.

Preliminary work on two additional horizontal wells is also underway with one at Wordsworth and one at West Wildwood. These two wells should be completed before June of this year.

In Australia, seismic and associated gravity and magnetic work is underway which will lead to a completely revised interpretation of all geological data. These studies should be completed by April 2007 and will set the stage for definition of extensive seismic work and planning for wildcat drilling scheduled for next year.

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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 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.*

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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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