



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

May 7, 2007

TEXALTA ENTERS INTO CORPORATE COMMUNICATIONS CONTRACT

Texalta Petroleum Ltd. ("Texalta") (**TSX.V-TEX.A**) is pleased to announce that it has retained First Canadian Capital Corp. ("First Canadian") as a consultant to provide strategic marketing and corporate communications. Under the terms of the agreement, Texalta will pay First Canadian C\$6,000 per month for a twelve-month initial term and grant 300,000 stock options at an exercise price of C\$0.41 for a period of 24 months from the execution of the Consulting Agreement. First Canadian will assist Texalta in opening productive and continuing dialogue with private investors, analysts, brokers, money managers and other financial professionals.

"We are excited to see the company concentrate expenditures on the several successful oil development projects in southeast Saskatchewan as well as high impact Australian exploratory work," commented Jason Monaco, Partner, First Canadian Capital Corp.

Based in Toronto and in business for over a decade, First Canadian Capital Corp. (www.firstcanadiancapital.com) has assisted numerous North American corporations in gaining exposure and recognition within the global investment community.

TEX.A is a Calgary based company engaged in the exploration, acquisition and development of prospective oil & gas properties in Saskatchewan and Alberta, Canada. The company holds 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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