



## PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

October 29, 2007

### TEXALTA ENTERS INTO \$10MM LOI ON AUSTRALIAN PERMITS

Texalta Petroleum Ltd. ("Texalta") (TSX.V-TEX.A) is pleased to announce that it has signed a Letter of Intent "LOI" dated October 24, 2007 with a syndicate of investors represented by Odin Capital Inc. with respect to the Texalta 100% owned Permits 103 and 104 in the Georgina Basin, Northern Territory, Australia.

The LOI provides that a formal Agreement will be completed by November 15, 2007 giving the group the right to contribute a maximum amount of ten million dollars ("10MM") CAD towards exploration expenditures on both Permits over a period of two and a half years to earn a maximum 60 percent working interest in both Permits. Texalta will remain the operator until such time as the group has earned its 60 percent interest.

The 10MM will allow the company to proceed with the ongoing exploration program as required by the terms under which the permits were granted on November 21, 2006. A report on the year one reprocessing of the existing 750 kilometers of seismic data is presently being prepared for submission to the Director of Energy, Department of Primary Industries, Fisheries and Mines, Northern Territory Government.

Completion of the transaction is subject to a number of conditions including but not limited to the execution of a definitive agreement by November 15, 2007. There can be no assurance that the transaction will be completed as proposed or at all.

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*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 also 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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