



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange
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Australian Farmout Agreement

Texalta Petroleum Ltd. ("Texalta") (TSX.V-TEX.A) is pleased to announce that a formal Farmout and Participation Agreement has been executed on the Georgina Basin exploration permits 103 and 104 in the Northern Territory of Australia. The Agreement defines a new stage of growth for Texalta which is expected to dramatically increase shareholder value. The Basins of the Northern Territory are increasingly recognized as potentially major future producing areas.

The farmee corporation is Officer Basin Energy Pty. Ltd. ("OBE"), based in Adelaide, South Australia. OBE is a privately funded company that is actively exploring 18,000,000 acres of exploration permits in South and Western Australia. For more information on OBE their website is <http://www.officerbasinenergy.com>.

The agreement gives the farmee the right to contribute a maximum amount of ten million ("10MM") CAD towards exploration expenditures on both permits over a period of two and a half years to earn a maximum sixty (60) percent working interest in both permits. Texalta will remain the operator until such time as the group has earned its 60 percent interest. As previously announced, Texalta has received \$500,000 in connection with the Agreement.

The 10MM will allow Texalta to proceed with the ongoing exploration program as required by the terms under which the permits were granted to Texalta on November 21, 2006.

The 5 year work schedule on the Georgina Basin permits calls for a minimum seismic program involving 200 kilometres of seismic shooting in the second year. Planning for the seismic work is presently underway.

A combination of reprocessed existing seismic and new shooting will set the stage for exploratory drilling.

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 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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