



## PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

January 25, 2008

### NORMAL COURSE ISSUER BID ("NCIB")

TEXALTA PETROLEUM LTD. announces that in accordance with the Regulations of the TSX Venture Exchange, upon expiry of its current NCIB on January 28, 2008, it will commence a new NCIB on January 29, 2008 that will expire on January 28, 2009. Texalta may acquire up to 1,702,518 Class A shares under the Bid, which amount represents 5% of 34,050,365, Texalta's outstanding Class A shares.

In the opinion of Texalta's Board of Directors, Texalta's common shares are, from time to time, undervalued by the market, and the cost of acquiring the shares is an expense prudently incurred by Texalta to increase shareholder value. 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.

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