



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

July 9, 2008

OPERATIONS UPDATE

Texalta Petroleum Ltd. ("Texalta") (**TSX.V-TEX.A**) herewith provides shareholders with an update of current plans, as the next six-month period promises to be very important in the development of the company.

In Saskatchewan, three horizontal development wells are currently being organized. These horizontal wells are located on the company's key project areas of Wordsworth, West Queensdale and West Wildwood. All of these wells are targeting the Mississippian Alida producing formation, which is common to these areas.

The company working interests are 47.5% at Wordsworth, 50% at West Wildwood and 25.5% at the West Queensdale location. The potential of these three horizontal wells is expected to range around 375 bbls/day net to Texalta. Texalta has not entered into any hedging contracts and will receive the price of crude as of the date of sale to the purchaser, Plains Midstream Canada. The last well, 3HZ 1D14-25-2C16-26-6-2 W2M, is producing 30 bbls/day gross with irregular volumes of gas. We expect the production at this well will be similar to the offset horizontal well to the north, which has produced 72,000 bbls over a period of 9 years. Texalta's net production from its Saskatchewan wells has averaged 71 boe/day over the past 12 months.

Texalta and partners are in the final stages of organizing a deep wildcat test well to be located on the north-east side of the West Queensdale project area. This deep wildcat is defined by 110 km of 2D and 5 square km of 3D seismic, which represents a combination of the company's proprietary shooting and purchased trade data.

This well is planned to a depth of 2500 meters and will carry a drilling cost of \$1.25 MM. The main target horizons are the Winnipegosis Reef, Ordovician Red River and Ordovician Winnipeg Sand. All of these zones are producing in the region and success could provide several hundred bbls/day net to Texalta.

In Australia, initial work on the seismic program for the second year work commitment is underway. The transfer of the permits to Texalta Australia Pty Ltd., a 100% wholly owned subsidiary of Texalta Petroleum Ltd., is for tax purposes only and ownership and management of the project remains with the parent company.

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's wholly owned subsidiary, Texalta Australia Pty. Ltd. 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.

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