



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

October 16, 2008

Drilling commences at Wordsworth, Saskatchewan

Texalta Petroleum Ltd. ("Texalta") (TSX.V-TEX.A) is pleased to announce that the drilling rig for its horizontal development well at Wordsworth, Saskatchewan has moved on site after a delay due to weather conditions in the area. Drilling time is expected to be approximately 12 days to total depth.

In addition, Texalta is also pleased to announce that its wholly owned subsidiary, Texalta Australia Pty. Ltd., has been granted a six month extension for Petroleum Exploration Permits 103 and 104 in the Georgina Basin, Northern Territory of Australia.

Pursuant to Section 28 of the Petroleum Act, the Minister for Mines and Energy, N.T. government has approved suspending work commitments for a period of six months and extending the term of the permits by six months. The delay for the year two work program comprising 100 km of seismic to be conducted on each permit prior to November 21, 2008 was due to difficulties in obtaining the necessary clearances from the Central Land Council with respect to the Aboriginal Sacred Sites and objects of cultural significance on the proposed seismic route, and will result in the seismic program being rescheduled for May 2009 when a seismic crew is available.

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.

Contact Information:

Mr. William H. Nixon, President
Texalta Petroleum Ltd.

Telephone: (403) 255-8380
Email: texalta@texalta.com

Fax: (403) 255-8007
Web: www.texalta.com

Maria Da Silva, President
MarketSmart Communications Inc.

Telephone: (604) 261-4466
Email: info@marketsmart.ca

Toll Free: 1-877-261-4466

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