



PRESS RELEASE

Trading Symbol: TEX.A : TSX Venture Exchange

August 5, 2009

TEXALTA TO COMMENCE THIRD DEVELOPMENT WELL AT WORDSWORTH, SK

Texalta Petroleum Ltd. ("Texalta") (**TSX.V-TEX.A**) is pleased to announce that it is awaiting approval from Saskatchewan Energy and Resources to commence its third horizontal development well at Wordsworth, Saskatchewan. This well has been delayed for several months due to the need to obtain the consents of a multiplicity of parties for a Lessor Production Allocation Agreement, which has now been fully executed and received. It is anticipated that the well will commence on or about August 21, 2009 and take approximately twelve days to drill to depth.

Following the completion of this well Texalta plans to drill an additional horizontal well to the east of the proposed August 21, 2009 development well. This well has a simple land component and arrangements should be in place to commence drilling prior to October 1, 2009.

The Wordsworth pool can potentially accommodate an additional 8 wells in which Texalta as operator holds a 47.5 percent working interest. Texalta has nearly completed work on conversion of the 3B9-23/4A10-23-7-3W2 well to a disposal facility and is installing a flowline from its 2A2-23-7-3-W2 Battery to the new disposal well that will significantly reduce monthly operating costs for trucking to outside facilities.

The Company is also pleased to inform shareholders that it has increased its average working interest in the West Queensdale, Saskatchewan area by approximately 10 percent by virtue of a Purchase and Sale Agreement effective August 1, 2009.

Evaluation of the vertical wildcat well at 4-31-6-1 W2M in the Wildwood area, Saskatchewan has been completed. The Second White Specs zone from 650 meters to 703 meters in this well is gas charged. The well is presently suspended as a possible Second White Specs gas completion depending on an improvement in local gas prices. Texalta and partners currently sell associated gas at West Queensdale at a discount to Alberta export price.

In Australia, shooting of 224 km of 2D seismic has been completed and plans for phase two of the seismic program are being organized. The Company is encouraged by the results of the first phase of seismic. Phase two will focus on areas of interest defined during phase one and will involve a much larger area of 350 km or more. Industry interest and investment in the oil and gas potential of Northern Territory basins continues to increase. The entire permit area is in excess of 5.5 million acres and Northern Territory Government researchers have estimated that individual trapping situations in the Georgina Basin may contain oil and gas reserves well in excess of 100 million barrels.

The Company has cash on hand to carry out its current drilling plans, generates cash flow from approximately 175 boe per day of production (average cost of production is \$12 / bbl) and has no debt

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 82 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.

Note: *BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

Contact Information:

Mr. William H. Nixon, President

Telephone: (403) 255-8380

Fax: (403) 255-8007

Email: texalta@texalta.com

Web: www.texalta.com

Mr. Dwane Brosseau, IR Consultant

Telephone: (604) 662-4955

Email: d.brosseau@texalta.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.