



PRESS RELEASE

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TEXALTA UPDATES GEORGINA BASIN, AUSTRALIA

Texalta Petroleum Ltd. ("Texalta") (**TSX.V-TEX.A**) on behalf of its wholly owned subsidiary, Texalta Australia Pty Ltd., is pleased to announce that it has received \$3.25 MM CAD from Georgina Basin Energy Pty Ltd., ("GBE") representing the balance of the \$5 MM CAD which GBE agreed to contribute to the work program on Permits 103 and 104 to earn a 50 percent working interest in both Permits. Under the terms of the Farmout and Participation Agreement dated December 21, 2007, GBE will now become operator of the project.

The Year 3 work program on both permits has now been modified to allow for an additional 150 km of seismic on each permit in lieu of the previous one well per permit drilling requirement. The additional seismic is required in order to provide four way closure to the structures identified in the previous seismic program completed in June 2009.

Texalta anticipates that the new operator will be entering into a Seismic Services Agreement for the second seismic program scheduled to commence in mid 2010.

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 a 50 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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