



PRESS RELEASE

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TEXALTA INCREASES INTEREST IN SOUTH EAST SASKATCHEWAN

Texalta Petroleum Ltd. ("Texalta") (TSX.V-TEX.A) is pleased to update shareholders on its current operations in Western Canada and Northern Australia.

In the past year Texalta Petroleum Ltd. and Rogers Oil & Gas Inc. have purchased the interest of several smaller non-operating partners in the southeastern Saskatchewan operating area. Texalta has increased its working interest in the Wordsworth project area by 2.5% thereby providing Texalta with an overall 50% working interest of which Texalta is the operating partner.

At Wordsworth, there are now four horizontal producing wells together with a battery and water disposal well. Two additional horizontal wells are planned for the immediate future with the first scheduled to start in September 2010.

At West Queensdale work on two horizontal well completions were severely hampered by wet weather conditions during July; by month end both wells were finally on production. Another horizontal development well for this project area is scheduled for the last quarter of 2010.

Texalta is planning the drilling on a farmout basis of two deep exploratory basement wells for the latter part of 2010 in the Carlyle-Arcola area. Final announcement of these wildcats will be provided when all the land details are in place.

An improvement in Government policy in Alberta has led the company to re-examine some of its exploratory ideas in central Alberta. A deep exploratory test is currently being organized in the vicinity of Camrose. Plans call for a test well to be drilled on a farmout basis before year end which will be drilled to the Beaverhill Lake formation.

In Australia delays have been encountered in the second seismic program on EPs 103 & 104 due to unseasonal wet weather together with ongoing land negotiations with the surface owners.

For the year ending June 30, 2010, Texalta has seen an increase in oil and gas sales, grossing over \$3MM for the 12 month period. With the planned development drilling over the next year it is anticipated that this number will increase significantly.

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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