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BrazAlta Resources Announce Closing of the Sale of BCH to Allis-Chalmers

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Further to the news release of December 29, 2008, BrazAlta Resources Corp. ("BrazAlta" or the "Corporation") is pleased to announce that it has completed the sale of BCH Ltd. to Allis-Chalmers Energy Inc. ("Allis Chalmers").

Under the terms of the transaction, Allis Chalmers has assumed BrazAlta's US\$23.5 million share of BCH's outstanding term debt facility with Standard Bank Plc., and its US\$40 million convertible debenture owed by BCH. In addition, Allis-Chalmers has paid a cash consideration of US\$5 million to BrazAlta which has been applied to its outstanding US\$6.6 million mezzanine loan facility with Standard Bank Plc associated with the purchase of the Rancho Hermoso exploration and producing assets in Colombia. The proceeds from the sale of BCH, together with those from the recent sale of the oil hedge agreement with Standard Bank Plc announced on December 10, 2008, have been used to reduce the Corporation's net total debt by US\$73.5 million.

The disposition of its interest, and high debt exposure, in BCH allows the Corporation to focus capital on its exploration and development projects within its focus areas of Colombia, Brazil, and Guyana.

In Colombia, BrazAlta operates two oil fields under risked service contracts with Ecopetrol that are producing approximately 3,000 gross barrels of oil per day, and one exploration block awarded by the ANH in 2007. BrazAlta's net share of production from one of the two fields is 330 barrels of oil per day, the majority of which is hedged at a floor of \$55 per barrel until late 2011. For the other field, producing approximately 1,500 gross barrels of oil per day, the Corporation receives an operating tariff of \$9 per gross produced barrel of oil from Ecopetrol. The tariff is insensitive to West Texas Intermediate oil price fluctuation, and will increase through a series of steps to approximately \$18 per gross barrel in 2012. The Corporation has plans to drill 3 development wells and work over a number of the existing producing wells in 2009 to increase oil production. BrazAlta, under a farmout agreement entered into in July 2008, is to be assigned a working interest in the recent Capella oil discovery operated by Emerald Energy Plc. on the Ombu E&P contract awarded by the ANH in 2007, where the operator plans to continue its appraisal drilling project in 2009. Three wells have been drilled to date, with the Capella 1 and 2 wells having tested 240 and 345 gross barrels of oil per day. The third well, Capella 3, was spud in November 2008.

In Brazil, the Corporation has interests in several onshore exploration contracts and four non-operated production concessions producing approximately 140 net barrels of oil per day.

BrazAlta is a Canadian based international oil and gas corporation with operations in Colombia, Brazil, Guyana, Northern Ireland and Canada. BrazAlta is publicly traded on Toronto Venture Exchange (TSXV: BRX). Additional information may be found at www.brazalta.com and the Corporation's public filings may be found at www.sedar.com.

This press release may contain statements within the meaning of safe harbour provisions as defined under Securities Laws and Regulations. The above statements are based on the current expectations and beliefs of BrazAlta's management and are subject to a number of risks and

uncertainties that may cause the actual results to differ materially from those described above. BrazAlta does not undertake any responsibility with regard to the accuracy of this press release nor the obligation to update the abovementioned information.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation cannot assure that actual results will be consistent with these forward looking statements. They are made as of the date hereof and are subject to change and the Corporation assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the exploration for and development of crude oil and natural gas properties, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or unanticipated costs or delays and other uncertainties associated with the oil and gas industry. Other risk factors could include risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities, and other factors, many of which are beyond the control of the Corporation. A barrel of oil equivalent (boe) is derived by converting gas to oil in the ratio of six thousand cubic feet of gas to oil and may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead, especially in various international jurisdictions.

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