

Halo prepares drill program for newly discovered conductors at its Sherridon VMS Property

Vancouver, British Columbia, October 3, 2006 – Marc Cernovitch, President and CEO of Halo Resources Ltd. (TSX.V:HLO; OTC.BB:HLOSF; FSE:HRL) is pleased to announce the completion of a state-of-the-art, high resolution deep penetrating VTEM Time Domain EM and magnetic survey totaling 2684 km on the Sherridon VMS property. The survey, completed in July 2006, was flown by Geotech Ltd. of Aurora, Ontario. Data processing and analysis is well advanced and is being carried out by Condor Consulting of Lakewood, Colorado. Preliminary results are encouraging and show that the VTEM survey has successfully mapped numerous new EM anomalies including a strong conductor 500 m east and at a depth of 250 to 400 m along the down plunge extension of the historic Sherritt Gordon East Zone ore body. Detailed analysis and follow up drilling will be carried out in the near future.

Background information

The Sherridon VMS Property controlled by Halo comprises a land package of 188 sq. km in the Sherridon volcanogenic massive sulphide district, underlain by high grade metamorphic rocks derived from bimodal volcanics. The property includes the site of the former Sherritt Gordon Mines' copper-zinc mine that operated from 1933 to 1950 and also includes several historical copper-zinc deposits as shown in the following Table 1. A cautionary statement applies to the historical resource citations and is given immediately following Table 1. The property is considered by Halo to be highly prospective for new VMS discoveries. Potential future development will be greatly facilitated by the existing rail link to the Hudson Bay Mining and Smelting Co. Ltd. (HBMS) mining/metallurgical complex approximately 70 km to the southwest and also by the presence of an all weather 78 km road to provincial Hwy 10, a power line and a communication tower.

Table 1
Halo's Sherridon VMS property.

| Mineral Deposit | Tonnage (tonne) | Historical estimates of significant mineral deposits | | | | Comment | Reference |
|-------------------------------------|--------------------|--|-----------|-----------------|-----------------|----------------|-----------------------|
| | | Cu (%) | Zn (%) | Au (g/tonne) | Ag (g/tonne) | | |
| Sherridon: West Zone + East Zone | 7,739 000 | 2.46 | 0.80 | 0.41 | 42.0 | mined out | Froese & Goetz (1981) |
| Cold Lake | 240,000 | 1.05 | 1.50 | 0.34 | 11.0 | | Ostry et al. (1998) |
| Park Lake | 6,142,000 | 0.42 | 2.16 | 0.14 | 2.4 | to 670 m depth | Ostry et al. (1998) |
| Jungle | 3,356,581 | 1.42 | 1.10 | | | | Ostry et al. (1998) |
| Bob | 2,159,098 | 1.33 | 1.18 | 0.31 | 8.5 | | Ostry et al. (1998) |
| Fidelity | not calculated | | | | | | Ostry et al. (1998) |
| Ake | not calculated | | | | | | Ostry et al. (1998) |

Source: Item 17 Table 9 - Jan 31, 2006 NI 43-101 Technical Report on the Sherridon VMS Property

The information contained in Table 1 relies on the Jan 31, 2006 NI 43-101 Technical Report on the Sherridon Property that is available at www.halores.com. This report includes all of the available references regarding the source of these historical estimates. The deposit estimates are presented as historical estimates and use historical terminology. These estimates are given to provide an important frame of reference for Halo's ongoing exploration program for VMS type mineral deposits. Halo has carried out no work to classify these historical estimates under current mineral resource or mineral reserve terminology. As noted in the Jan 31, 2006 NI 43-101 Technical Report, the historical estimates are not to be interpreted as current estimates as defined in section 1.2 and 1.3 of NI43-101 and therefore should not be relied upon. In Halo's exploration program these deposits serve to demonstrate the stratigraphic and structural positions of mineralized horizons, and also the style of mineralization. The known deposits serve to test the effectiveness and depth penetration of latest geophysical survey techniques in the high grade metamorphic Sherridon area with its dominantly flat dips.

During the past several months, comprehensive geoscientific and exploration databases in GIS format were prepared for the area. They include geophysical, drilling, geological, structural and lithochemical information. Grade x thickness plans and sections were completed for the historic Park, Jungle, Bob and Cold deposits.

A recently completed structural study shows that the crescent-shaped Sherridon complex represents a dome which is overturned to the west. The main mineralized horizon which hosts the mined-out West zone and East zone ore bodies, dips east along the west flank of the crescent-shaped dome with stratigraphic tops facing up. Along the north and east flanks, the same mineralized horizon dips moderately north and east with stratigraphic tops facing down. Along the south flank of the dome the mineralized horizon strikes east, dips north in the western part, then assumes a vertical attitude in the central part and dips south in the eastern part. Plunges as indicated by mineral lineation and subsidiary folds, are shallow east.

Halo's geophysical database includes a complete SPECTREM AEM coverage of the property, flown in 1996. Because of prevailing flat structural attitudes in the area, it was decided to augment the SPECTREM survey results with the deeper penetrating and very high resolution VTEM survey. Together, the two sets of survey results form a very strong database with which the complexly folded formational and mineralized conductors can be resolved and quality drill targets developed. The resolution of the VTEM survey data is such that ground geophysical follow-up is not needed in most cases, prior to drilling.

Preview of significant results

Approximately 4000 picks were produced representing several very extensive formational conductors and numerous short strike length conductors, some of which coincide with the known historical mineral deposits listed in Table 1. In the case of the Park, Jungle and Bob mineral deposits, the VTEM survey results provide valuable examples of how mineralized bodies occur in close proximity of formational conductors and yet can be discriminated by the very high resolution achieved by the VTEM survey. The greater exploration value is considered to be in the numerous short strike length conductors which have not been drill tested but show characteristics similar to those of the known mineral deposits. One excellent example is a deep conductor located approximately 550 m along the down plunge projection to the east of the mined-out East zone.

The evaluation, interpretation and ranking of the geophysical results is well underway and expected to be complete and delivered to Halo during the second half of October. Drill testing of ranked conductors is scheduled to start in late November.

Qualified Person

Eckart Buhlmann, a principal of Buhlmann & Associates Inc. and a "qualified person" as defined in NI 43-101, has reviewed this news release and has verified the technical information provided herein.

Halo Resources Ltd.

Halo is a Canadian-based resource company focused on the acquisition of near production base and precious base metal deposits. Currently the Company owns or has an interest in 4 projects: Duport, which is an advanced stage gold project; Red Lake Project, which is a gold exploration project, Quarter Moon which is a grass roots gold project, and the Sherridon project, which is a grass roots VMS project. The Company is operated by an experienced management team and backed by a strong network of mining financiers. The Company's growth strategy is to develop a diversified portfolio of advanced mining projects.

ON BEHALF OF THE BOARD

Marc Cernovitch, President and CEO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Except for the historical statements contained herein, this news release presents "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Halo to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of Halo Resources Ltd. believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or

intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Halo does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Trading in the securities of Halo Resources Ltd. should be considered highly speculative.

For further information, please contact:

Marc Cernovitch, President & CEO
Halo Resources Inc. Tel: 604-484-0068
Fax: 604-484-0069 Toll Free: 1-866-841-0068
mcernovitch@halores.com