

MORE EXCEPTIONAL HIGH GRADE DRILL RESULTS

Exterra Resources Limited
ACN 138 222 705

ASX Code: EXC

www.exterraresources.com.au

Issued Capital:

Ordinary Shares: 83.6m
Options: 23.6m
Cash (as at 31 Mar 2012): \$1.7m

Directors and Management:

Peter Cunningham
Non- Executive Chairman

John Davis
Managing Director

Justin Brown
Non-Executive Director

Gary Morgan
Non-Executive Director

Peter Cole
Non-Executive Director

Dennis Wilkins
Company Secretary

FURTHER HIGH GRADE DRILLING RESULTS FROM LINDEN

23 May 2012

HIGHLIGHTS

New results received for the main lode are:

- **Hole LNDD0007, 0.3m at 65.10 g/t Au**
- **Hole LNDD0009, 0.4m at 25.40 g/t Au**

Gold focused exploration and development company, Exterra Resources Limited (ASX:EXC) is pleased to announce it has received further exceptional high grade assay results from the third and fourth holes of an eight hole programme of diamond drilling at its Second Fortune mine at the Company's flagship Linden Gold Project in Western Australia.

All of the first four holes completed contained visible gold, and the results confirm the continuity of the high grade Second Fortune main lode system at depth below the current resource.

The new results are consistent in width and high grade nature to those reported earlier in May, being 0.8m @ 31.98g/t Au in LNDD0006 and 0.6m at 43.5g/t Au in LNDD0008.

The program consists of 8 diamond drill holes totalling approximately 2,600 metres of HQ/NQ coring and is expected to be completed during May 2012.

The drilling is aimed at testing the continuity of the high grade lode system below and along strike of the deepest drilling completed to date at approximately 250 vertical metres (refer plan Fig 1). Holes planned will test the lode system to 300 vertical metres and, subject to results, are expected to provide a basis for upgrading the current Resource and commencement of a Feasibility Study into developing the Second Fortune underground mine.

TABLE OF RESULTS

Hole ID	North	East	RL	Declination	From (m)	To (m)	Intercept (m)	Au (g/t)
LNDD0006	6750180	445130	400	-60	200.69	201.49	0.80	31.98
LNDD0007	6750210	445083	400	-60	270.81	271.10	0.29	65.10
LNDD0008	6750150	445080	400	-60	286.03	286.60	0.57	43.50
LNDD0009	6750280	445069	400	-60	291.08	291.45	0.37	25.40

Note: Results for holes LNDD0006 and LNDD0008 were reported in a previous announcement on the 3rd May 2012.

The results received so far confirm the robust high grade continuity of the Second Fortune vein system. The full program of eight diamond drill holes is expected to form the basis for an upgrade of the current Resource at depth, subject to further positive results.

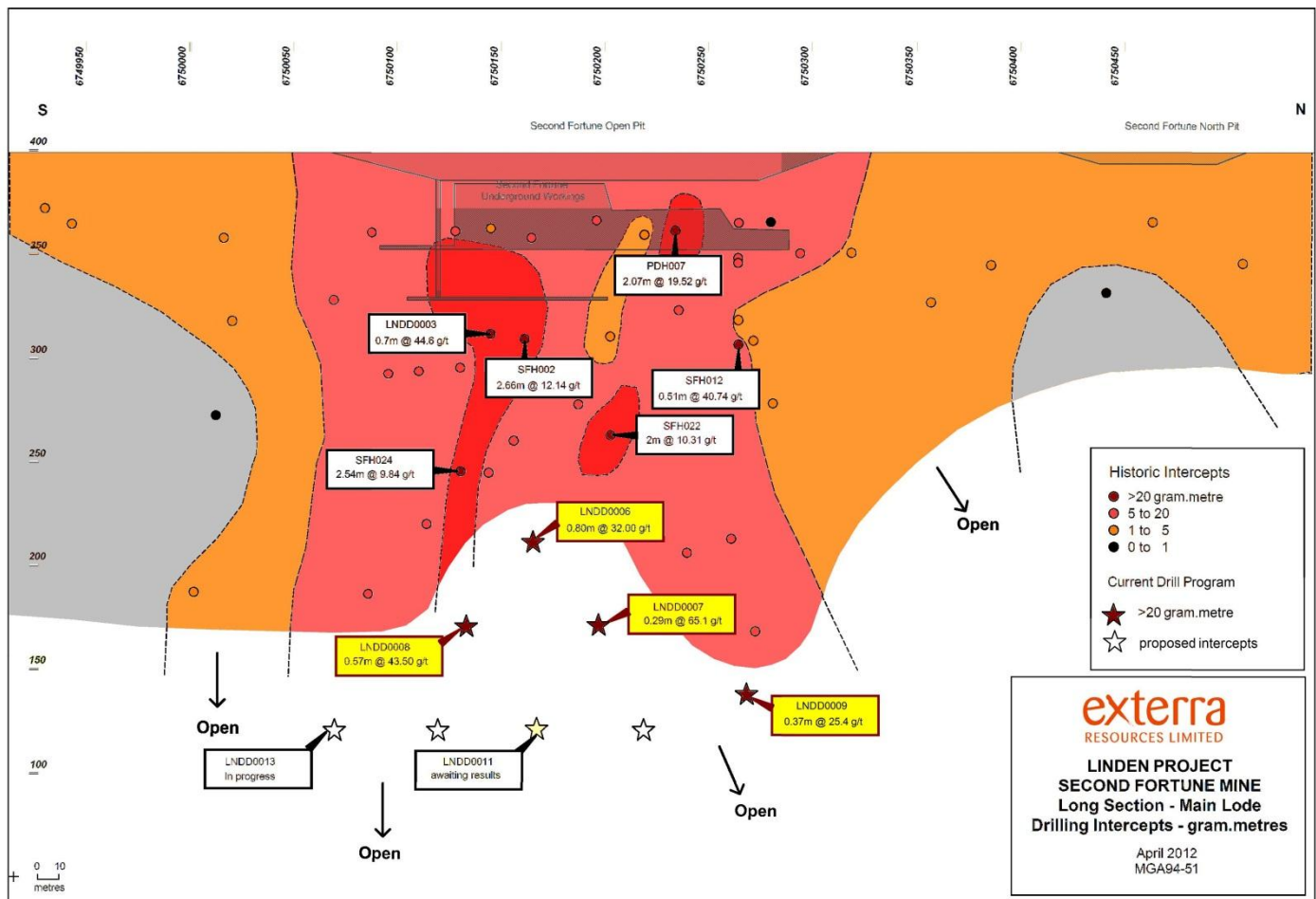


Fig 1 Second Fortune Long Section

For further information:

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Competent Persons Statement

Information in this report relates to exploration results or mineral resources that are based on information compiled by John Davis (Member of the Australasian Institute of Mining and Metallurgy). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consent to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Exterra Resources' operations contain or comprise certain forward looking statements regarding Exterra Resources' exploration operations, economic performance and financial condition. Although Exterra Resources believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Exterra Resources undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.