

NEW ZELICA TENEMENT ACQUISITION

EXTERRA ACQUIRES STRATEGIC ZELICA TENEMENT

22 September 2011

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 30 June 2011): \$4.1m

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

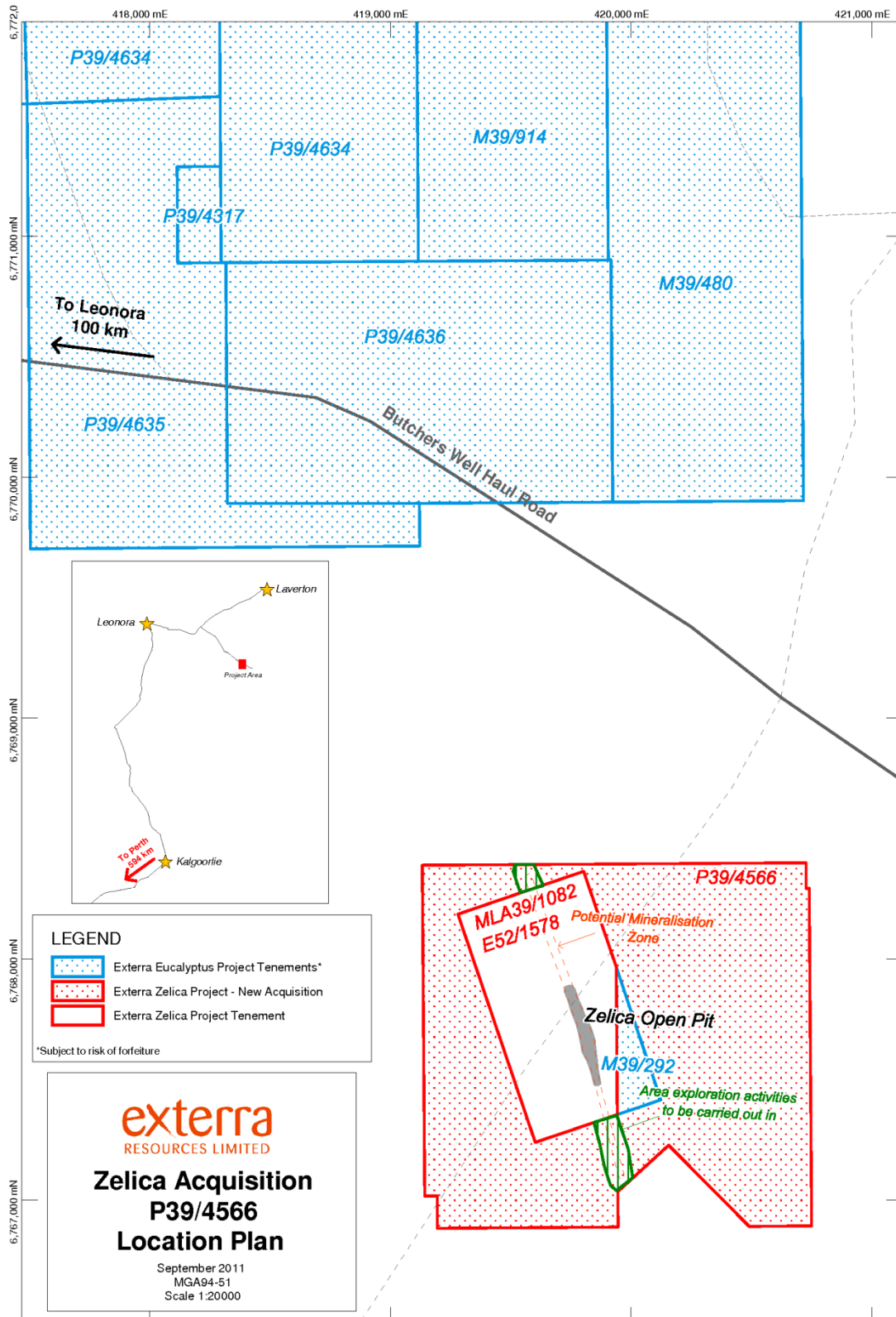
Exterra Resources Limited (ASX:EXC) is pleased to announce that it is acquiring a 100% interest in a prospecting licence surrounding the Company's existing Zelica tenements.

The new prospecting licence surrounds the existing Zelica tenement and provides potential strike extensions of the Zelica mineralised trend. The tenement also provides Exterra with a strategic landholding off strike, which may be used in the future as potential vat or heap leach pad sites.

Exterra is planning to commence drilling at Zelica in October, with RC drilling focussed on infilling the resource in the existing pit area as well as extending the resource to the north where the existing drilling density is low. The planned program will test up to the boundary with the newly acquired prospecting licence, and if the results are positive, the program may be extended further northwards.

The prospecting licence is due for renewal in the near term and Exterra's due diligence to date has not revealed any reason why the renewal should not be granted on application.

On satisfactory completion of Exterra's due diligence on the tenement, Exterra will provide cash consideration in the sum of \$50,000 to the current owner. Completion of the acquisition is due to take place on or around 23 September 2011.



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.