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News Release

X-TERRA CLOSSES A \$400,000 PRIVATE PLACEMENT WITH MINERALFIELDS

VANCOUVER, BC: October 09, 2007 – **X-Terra Resources Corporation (XT-TSXV)** is pleased to announce that the company has closed a private placement with the MineralFields Group for gross proceeds of \$400 000. In total, the corporation issued 426 666 flow-through units at a price of 75 cents per unit, with each unit consisting of one flow-through common share and one non flow-through common share purchase warrant. Each warrant entitles the holder thereof to purchase one non flow-through common share of the corporation until October 2, 2009 at an exercise price of one (1) dollar per share. The corporation also issued 133 333 non flow-through units at a price of 60 cents per unit, with each unit consisting of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the corporation until October 2, 2009 at an exercise price of 75 cents per share.

Limited Market Dealer Inc. received a cash finder's fee of 5 per cent of the gross proceeds and non-transferable finder's fee units entitling it to purchase up to 27 999 non flow-through units at a price of 60 cents per unit, with each unit consisting of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the corporation until October 2, 2009 at an exercise price of 75 cents per share.

All securities issued pursuant to the private placement offering are subject to a four-month hold period expiring February 3, 2008.

About MineralFields

MineralFields Group (a division of Pathway Asset Management) is a Toronto-based mining fund with significant assets under administration that offers its tax-advantaged superflow-through limited partnerships to investors throughout Canada during most of the calendar year, as well as hard-dollar resource limited partnerships to investors throughout the world. Pathway Asset Management also specializes in the manufacturing and distribution of structured products and mutual funds. Information about MineralFields Group is available at its website. First Canadian Securities, a division of Limited Market Dealer, is active in leading resource financings (both flow-through and hard-dollar financings) on competitive, effective and service-friendly terms, with investors both within and outside of MineralFields Group.

About X-Terra Resources:

X-Terra is a mineral resources company focused on acquiring and exploring gold and uranium properties in Canada. X-Terra has active gold/uranium exploration projects in province of Quebec, Canada.

Forward-looking Statements

This news release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the ability of X-Terra to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements, including risks disclosed in filings with the Canadian securities regulators made by X-Terra. Accordingly, readers should not place undue reliance on forward-looking statements.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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