



News Release

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X-TERRA RESOURCES COMPLETES QUÉBEC LOWLANDS GAS SHALE FARM OUT WITH BROWNSTONE VENTURES CORP.

Rouyn-Noranda, Québec – October 29, 2008 – X-Terra Resources Corporation (XT-TSXV) and Brownstone Ventures Inc. (BWN-TSXV) are pleased to announce that they have received confirmation from the Ministère des Ressources Naturelles et de la Faune of the Province of Québec that the final permits for the exploration licenses for petroleum and natural gas on its shale properties located in the Québec Lowlands (namely, Shawinigan, Rimouski and Rimouski North) (the “Québec Shale Licenses”) have been received and the parties have now completed the previously announced acquisition by Brownstone of a 50% interest in the Québec Shale Licenses. Pursuant to the assignment agreement dated June 10, 2008, Brownstone issued 2,000,000 common shares and 2,000,000 common share purchase warrants to X-Terra. Each warrant entitles X-Terra to purchase one common share of Brownstone at a price of \$2.00 per share until October 28, 2010. The common shares, warrants and common shares underlying the warrants are subject to a four month hold period expiring on March 1, 2009. Subsequent to the transfer of the 50% interest in the Québec Shale Licenses, X-Terra and Brownstone will enter into an operating agreement pursuant to which Brownstone shall become the operator of an exploration program for the territory covered by the Québec Shale Licenses.

In connection with this transaction, X-Terra will issue, subject to regulatory approval, 150,000 units to PowerOne Capital Markets Limited of Toronto, Ontario, as a finder’s fee. Each unit will be comprised of one common share of X-Terra and one common share purchase warrant. Each warrant will entitle PowerOne to purchase an additional common share of X-Terra for a period of two years at a price of \$1.50 per share. Under applicable securities legislation and policies of the TSX Venture Exchange, the common shares and warrants issued in connection with this transaction will be subject to a four months hold period.

The Québec Shale Licenses cover a total of 159,991 hectares in the Québec Lowlands.

About X-Terra Resources:

X-Terra is a resource company focused on acquiring and exploring energy properties in Canada. X-Terra Resources has 12,078,069 shares outstanding.

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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