



News Release

X-TERRA ANNOUNCES RESULTS OF ITS ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Rouyn-Noranda, Québec, August 29, 2008 – X-Terra Resources Corporation (XT-TSXV) is pleased to announce the results of its annual and special meeting of shareholders held on August 27, 2008 in Rouyn-Noranda, Québec. At the meeting, shareholders elected Martin Dallaire and Richard Patricio as members of the Board of Directors of X-Terra, joining Sébastien Plouffe and Dr. Xin Zhao. The shareholders also re-appointed PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of X-Terra.

At the meeting, shareholders also approved a resolution ratifying and confirming X-Terra's stock option plan, a special resolution authorizing the continuance of X-Terra under the *Canada Business Corporations Act*, and a resolution approving an amendment to the Shareholder Rights Plan Agreement dated March 20, 1998 so as to extend X-Terra's shareholder rights plan for another five years. It is expected that the continuance of X-Terra under the *Canada Business Corporations Act* will be completed shortly.

X-Terra also announces that following the shareholders' meeting, Mr. Laurent Hallé tendered his resignation as President, Chief Executive Officer and a director of X-Terra. The Board of Directors appointed Martin Dallaire as President and Chief Executive Officer of X-Terra and Sylvain Champagne as a director of X-Terra to fill the vacancy created by the resignation of Mr. Hallé. The Board wishes to thank Mr. Hallé for his valuable contribution in serving as President and a director of X-Terra, and wishes him well in his future endeavours.

X-Terra's Board of Directors also granted an aggregate of 270,000 stock options to X-Terra's five directors. The exercise price of the options is \$1.00 and the options expire on August 27, 2013. The options were granted pursuant to X-Terra's stock option plan.

About X-Terra Resources:

X-Terra is a resource company focused on acquiring and exploring energy properties in Canada. X-Terra Resources has only 12,245,069 shares outstanding.

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

For further information, please contact:

Martin Dallaire, President and Chief Executive Officer
Telephone: 819-762-0609, Fax: 819-762-0097
Email: info@xterraresources.com
Website: www.xterreresources.com