



News Release

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X-TERRA RESOURCES ANNOUNCES SHARE CANCELLATION UNDER NORMAL COURSE ISSUER BID

Rouyn-Noranda, Québec – October 10, 2008 – **X-Terra Resources Corporation (XT-TSXV)** announces the cancellation of an aggregate of 167,000 of its common shares, which the company purchased during September 2008 pursuant to its normal course issuer bid. The shares were purchased at an average price of \$0.45844.

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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