

- **XTIERRA REPORTS ON AUDITED FINANCIAL STATEMENTS**

Toronto, May 6, 2009, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”), announces that, further to its previously announced change in year end, it has filed its audited Consolidated Financial Statements and Management’s Discussion and Analysis for the six month fiscal period ended December 31, 2008.

The Company recorded no revenue in the six month periods ended December 31, 2008 or June 30, 2008. Xtierra recorded a net loss for the period of US\$692,000 (\$0.014 per share) compared to a loss of US\$117,000 (\$0.003 per share) in the six month period ended June 30, 2008. The Company was in a start-up mode throughout the first three quarters of its operation.

Total assets increased to US\$22,163,000 at December 31, 2008 from US\$21,330,000 at June 30, 2008 primarily as a result of the investment in Bilbao and offsetting the deferred transaction costs and share issue costs against share capital.

The Company had a working capital surplus of US\$1,556,000 at December 31, 2008 compared to US\$6,204,000 at June 30, 2008. The decrease was primarily due to funds expended on the exploration projects, including Bilbao. During the six month period ended December 31, 2008, the Company invested US\$2,500,000 in the purchase of 25% of Bilbao, US\$1,228,000 in exploration and project development and US\$920,000 in administration costs, including non-recurring costs of the reverse takeover and TSX listing of Xtierra.

Subsequent to December 31, 2008, the Company and Pacific Road Group of Funds entered into an agreement whereby Pacific Road subscribed for US\$1,250,000 in non-interest bearing notes issued by Orca Minerals Limited, a wholly-owned subsidiary of the Company. These notes are convertible in various circumstances (See press release dated April 30, 2008).

The proceeds of the financing will primarily be used to initiate the first phase of a feasibility study on the Bilbao project. The Company is adequately financed to undertake its stated goals for 2009 of initiating the feasibility study on the Bilbao deposit and advancing the optimization of the Laguna feasibility study and in making the payment of \$500,000 due on the Bilbao property in August 2009. Additional funding may be necessary to further advance and explore the Company’s exploration properties and to complete a bankable feasibility study on the Bilbao project.

Making Progress Towards Production

Xtierra’s objective is to become a mid-tier producer of silver and base metals through the development of its Bilbao and Laguna projects located in the Central Mexican Silver Belt in the State of Zacatecas, having initiated the first phase of a Feasibility Study at Bilbao in April 2009.

During 2008, Xtierra conducted infill and step-out drilling its Bilbao silver-zinc-lead-copper project and completed an independent NI-43-101 resource estimate. The resource report estimate 3.6 million tonnes indicated resources at an average grade of 3.53% zinc, 2.75% lead, 0.29% copper and 88.23g/t silver and 2.4 million tonnes inferred resources at an average grade of 2.52% zinc, 2.79% lead, 0.28% copper and 83.08g/t silver. The Bilbao deposit remains open to the northwest and to the southwest.

Preliminary metallurgical studies on the near-surface oxide mineralization using a process of high intensity magnetic concentration (HIMC) resulted in a marked pre-concentration of silver, lead, zinc and copper with no significant loss of any of these metals. Recoveries in the pre-concentrate were 86% for silver, 95% for lead, 88% for zinc and 70% for copper. Conventional flotation processing indicates excellent recoveries in the primary sulphide mineralization.

In August 2008, Xtierra acquired the remaining 25% interest in the Bilbao property that it did not already own for a consideration of US\$5 million, satisfied by payment of US\$2.5 million on closing, a further payment of US\$500,000 in August 2009 and the balance to be paid in four equal annual payments of US\$500,000, commencing at the time of mine construction. The first such US\$500,000 annual payment will be made not less than six years after the closing date (August 2014), with the remaining balance to be paid no later than ten years (August 2018).

About Xtierra Inc.

Xtierra Inc. is a Toronto based exploration and development company with the objective of becoming a mid-tier producer of silver and base metals through the development of its 100% owned Bilbao and Laguna projects, both located in the Central Mexican Silver Belt in the State of Zacatecas, as well as through organic growth and M & A opportunities.

Xtierra's shares trade on the TSX Venture Exchange under the symbol "XAG". Xtierra has 49,862,003 shares issued and outstanding.

ON BEHALF OF THE BOARD OF DIRECTORS OF XTIERRA INC.

Terence N. McKillen
President and CEO

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

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