

**XTIERRA OPTIONS LAGUNA PEDERNALILO PROJECT**

**Toronto, November 18, 2009, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”)**, announces that it has entered into an Option and Sale Agreement (the “Agreement”) with Indo Gold Limited (“IGL”), of Queensland, Australia for the option and sale of the silver-rich Laguna Pedernalillo (“Laguna”) transported tailings deposit located near the town of Guadalupe in the State of Zacatecas, Central Mexico.

Commenting on the Agreement, Terence McKillen, Xtierra’s President and CEO, said, *“We are very pleased with the outcome of negotiations with Indo Gold for the option and sale of the Laguna project. Since the acquisition and discovery of the silver-zinc-lead-copper Bilbao project, Xtierra has shifted focus from development of Laguna to advancement of the Bilbao project through feasibility. Successful implementation of the Agreement with IGL will provide Xtierra with initial cash and a steady stream of revenue over the life of operations at Laguna. We believe that Indo Gold has the requisite industry experience and expertise to successfully develop the Laguna project.”*

Under the terms of the Agreement, IGL will, on signing, pay Xtierra US\$150,000 and will have an option for a three month period to conduct initial due diligence. In the event IGL elects to proceed to an extended due diligence period of a further six months’ duration, IGL will pay to Xtierra a further US\$350,000 and shall expend a minimum of US\$300,000 during the option periods in trial mining, processing and associated activities required for further definition of the project and to confirm feasibility.

IGL may at any time during the due diligence periods and within one month after the expiry of the second due diligence period, exercise an option to purchase the Laguna project. The consideration for the purchase will be a net smelter royalty of three percent (3%) for the life of the operation and a cash consideration of US\$1,250,000 to be effected in two payments, one of US\$500,000 upon making the election to purchase and the second of US\$750,000 to be paid at the earlier of base commercial production level being achieved or 18 months after the first payment is made. The agreement provides for advanced royalty payments of US\$200,000 per annum should the base commercial production level not be achieved within twelve (12) months of receipt of the second cash purchase payment. The transaction will be effected through the sale and transfer of all of the issued and outstanding shares of Minera Orca, S.A. de C.V. (“Minera Orca”), an indirect wholly-owned Mexican subsidiary of Xtierra.

Should IGL complete the two due diligence payments and make the full expenditure contemplated therein but not exercise the option to purchase, it shall be entitled to a five percent (5%) net profit interest in the Laguna project.

Minera Orca holds an extraction licence granted by Conagua, the Mexican authority responsible for water resources, for the silver-rich tailings deposit located at Laguna. In January 2006, Micon International completed a Bankable Feasibility Study on the project and in February 2008, prepared a revised reserve estimate for Xtierra of 6,799,000 tonnes, containing an average of 57.92 g/t silver, 0.31 g/t gold and 328.92 g/t mercury. The Laguna deposit comprises tailings solids derived from historic mine processing wastes and tailings located some distance upstream from a dam constructed in 1836 to retain water for agricultural use.

## **Qualified Person**

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Gerald Gauthier, P.Eng., the Chief Operating Officer of the Corporation and a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

## **About Xtierra Inc.**

Xtierra Inc. is a Toronto based exploration and development company listed on the TSX Venture Exchange. Xtierra's shares trade under the symbol "XAG". Xtierra has 49,862,003 shares issued and outstanding. Xtierra has commenced a first phase feasibility study on its 100% owned Bilbao silver-zinc-copper project in Zacatecas, Mexico. Xtierra's objective is to become a mid-tier producer of silver and base metals through the development of its Bilbao and Laguna projects, both located in the Central Mexican Silver Belt in the State of Zacatecas, as well as through exploration and M & A opportunities.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or the accuracy of this release.*

**For further information visit [www.xtierra.ca](http://www.xtierra.ca) or contact:**

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