

- **NEW GOLD ACQUISITION IN PINOS DISTRICT, ZACATECAS, MEXICO**

Toronto, September 11, 2009, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”), is pleased to announce that it has entered into an option agreement with private Mexican interests whereby it may acquire a 100% interest in the El Dorado gold project within 2,890 hectares of mining claims located in the Pinos district of southeastern Zacatecas State, Mexico. The property is located within the Central Mexican Mineral Belt and has an existing small-scale underground gold mining operation developed on one level of the El Dorado vein. It is located close to Xtierra’s existing Orca 3 property and some 80 kilometres southeast of Xtierra’s Bilbao silver-zinc-lead-copper development project.

The El Dorado Property

The El Dorado property is located 7 kilometers northeast of the historic Pinos gold deposits where veins with reported bonanza grades of more than 200g/t gold were mined historically on northwest striking veins making the Pinos district the largest gold producer in the State of Zacatecas during the Colonial Period. Historic records suggest the average mined grade was 97 g/t silver and 58.26 g/t gold.

Gold mineralization at El Dorado occurs as veins and in quartz stockworks related to late stage extensional faulting developed within an intrusive quartz-eye rhyolite. The El Dorado vein trends north-northwest and dips steeply to the west. It comprises one main and several parallel veins of quartz-hematite. Mineralization noted within the single level adit driven 134 metres on the vein is native gold within a matrix of hematite. Lower grade gold mineralization has been found in altered wall rocks. The current mining operation on the El Dorado vein structure produces only small tonnages each day by selectively hand mining higher grade vein material which is directly shipped to the Peñoles smelter, 400 km to the north, at Torreon.

Work recently completed by Xtierra during preliminary due diligence has resulted in the discovery of an extensive gold-bearing stockwork encompassing the El Dorado vein and several other parallel structures. Soil and rock geochemistry have demonstrated that this stockwork, formed at the edge of a linear gold soil anomaly over 1km in strike length, is open-ended to the north-east and trends directly into a second, newly identified stockwork body, located over 300 metres away from the El Dorado vein.

Preliminary work completed by Xtierra confirms the high grade nature of the El Dorado vein with channel sampling returning values ranging from 0.5 to 57.0 g/t gold over widths of 0.10 to 1.0 metre with individual grab samples as high as 1,760 g/t gold and 3,590 g/t silver. Such grades indicate the potential for bonanza deposition zone development within an epithermal boiling zone. The El Dorado vein and surrounding stockworks do not appear to have been tested by drilling.

Prospecting, trenching and soil geochemical sampling indicate the presence of at least five additional parallel veins underlain by altered and brecciated, porphyritic rhyolite with well-developed quartz-hematite stockwork veining which have consistently returned anomalous gold values in the range 0.1 to 80g/t gold within the area of the stockwork.

Xtierra plans further detailed exploration of the El Dorado and Orca 3 properties over the next six months which will include the drilling of between 4 to 6 diamond drill holes to evaluate the depth extension of the main El Dorado vein and the extent of the stockwork mineralization.

Chief Executive's Comments

Xtierra's Chief Executive Officer, Terence McKillen, stated *"The acquisition of the El Dorado property in the historic Pinos gold district of Zacatecas adds further diversification to Xtierra's mineral property portfolio in Zacatecas within a promising gold district with high grade epithermal vein and lower grade bulk tonnage gold potential. The El Dorado project complements and broadens Xtierra's earlier focus on development of silver-base metal resources in Zacatecas."*

Agreement

Under the terms of the agreement, Golden Dust S.A. de C.V., ("Golden Dust") an indirect, wholly-owned subsidiary of Xtierra may acquire a 100% interest in the Eldorado Claims (the "Property") by staged options and payments (all US Dollar amounts). An initial payment of \$32,558 has been made which grants Golden Dust an option to explore and evaluate the Property until March 7, 2010. Should Golden Dust exercise the option to purchase the Property on or before March 7, 2010, a payment of \$93,023 would be made, followed by three equal payments of \$268,217 due respectively on January 15 of 2014, 2015 and 2016, for a total consideration of \$1 million. If Golden Dust completes a feasibility study and such study indicates a mineral reserve estimate containing between 250,001 and 500,000 ounces of gold, a bonus to the purchase price of \$500,000 will be paid, or if such mineral reserve estimate is greater than 500,000 ounces of gold, a bonus purchase price of \$1 million will be paid, on the same staged basis as the three interim payments. The maximum purchase price to be paid is \$2 million. Golden Dust may conduct whatever exploration and development work it deems necessary to evaluate the Property.

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Terence McKillen, P.Geo. and/or Gerald Gauthier, P.Eng., respectively Chief Executive Officer and Chief Operating Officer of the Corporation and Qualified Persons 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 is mid-way through a first phase feasibility study on its 100% owned Bilbao silver-zinc-copper project in Zacatecas, Mexico. Xtierra is currently conducting a feasibility study on its Bilbao silver-lead-zinc-copper project. Xtierra's objective is to become a mid-tier producer of precious and base metals through the development of its Bilbao and Laguna projects, both located in the Central Mexican Mineral Belt in the State of Zacatecas, as well as through exploration, organic growth 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.

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