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October 3, 2011

QMM: NYSE AMEX
QTA: TSX VENTURE
NR-23-11

QUATERRA REPORTS ON EXERCISE OF WARRANTS

VANCOUVER, B.C. – Quaterra Resources Inc. today announced that holders of 8,994,206 Warrants have exercised their Warrants to purchase 8,994,206 common shares of the Company at a price of \$0.75 per share for proceeds to the Company of \$6,745,654.50. The remaining 630,000 Warrants that were issued under the Placement which closed on September 29, 2009, were not exercised and have expired.

Proceeds of the Warrant exercise will be used to fund the Company's exploration programs at the MacArthur and Yerington copper projects in Nevada and the Nieves silver project in Mexico, as well as general and administration expenses.

Quaterra Resources Inc. (NYSE Amex: QMM; TSX-V: QTA) is a junior exploration company focused on making significant mineral discoveries in North America. The Company uses in-house expertise and its extensive network of consultants, prospectors and industry contacts to identify, acquire and evaluate prospects in mining-friendly jurisdictions with the potential to host large and/or high-grade base metal, precious metal or uranium deposits.

On behalf of the Board of Directors,

"Scott Hean"

Scott Hean,

Chief Financial Officer, Quaterra Resources Inc.

Some statements contained in this news release are forward-looking statements within the safe harbor of the Private Securities Litigation Reform Act of 1995. These statements generally are identified by words such as the Company "believes", "expects", and similar language, or convey estimates and statements that describe the Company's future plans, objectives or goals. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Further information regarding risks and uncertainties which may cause results to differ materially from those projected in forward-looking statements, are included in filings by the Company with securities regulatory authorities. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date thereof. The Company does not undertake to update any forward-looking statement that may be made from time to time except in accordance with applicable securities laws. References may be made in this press release to historic mineral resource estimates. None of these are NI 43-101 compliant and a qualified person has not done sufficient work to classify these historic estimates as a current mineral resource. They should not be relied upon and Quaterra does not treat them as current mineral resources.

For further information about the Offering, please contact Quaterra's Chief Financial Officer, Mr. Scott Hean on ph: 604-681-9059. Expanded information on the Company's projects is described on our website at www.quaterra.com or contact Lauren Smith at 1-604-681-9059 or email: info@quaterra.com.

The TSX Venture Exchange and the NYSE Amex have not reviewed and do not accept responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by management.