

BILBAO PROJECT UPDATE EXERCISE OF WARRANTS

Toronto, April 27, 2011 - Xtierra Inc. (TSXV | XAG) ("Xtierra" or the "Company"), is pleased to announce that 1,725,476 of outstanding warrants (representing 98.6%) with an expiry date of April 15, 2011 have been exercised to raise further proceeds of US\$517,642, bringing the total proceeds of recently exercised warrants to US\$3.8 Million.

With the exercise of the warrants, the issued and outstanding share capital of the Company is now 103,262,142 shares. There are 14,331,210 warrants and 4,755,000 share options currently outstanding and "in the money." The proceeds of the warrant conversion brings Xtierra's current working capital to approximately US\$9.5 Million.

Bilbao Update

Drilling - Current drilling at Bilbao is focussed on several silver-rich zones in the southern and southwestern margins of the deposit. The first drill-hole was sited to confirm whether there was continuity of the silver-rich breccia zone intersected by drill-holes CG4 and X85. Drill-hole X92, located mid-way between the holes has been completed to a depth of 278.45m and encountered a similar brecciated limestone with disseminated sulphides over a thickness of 5.25m, between 139.35 and 144.60m.

Extremely rich silver mineralization encountered previously in drill-hole X26 at a depth of 382m is the target of drill-hole X86A which is currently in progress at a depth of 190m. The main objective of this angled hole is to determine the structural elements of the mineralised veins and to locate a possible feeder conduit.

In addition to the planned 2,000m of drilling on the high grade silver zones, further exploration drill-holes will test geophysical anomalies (ground magnetic) south of the Bilbao deposit as well as at the Ardillas silver-lead prospect, situated 1.5km north-east of Bilbao.

Feasibility Study - An updated and independent NI-43-101 compliant resource estimate, final hydrological and geotechnical (rock mechanics) reports, mine plans and power supply reports will be completed during May.

Metallurgical test work on the oxide ore is still in progress. The milling and wet high intensity magnetic separation (WHIMS) processes are currently being optimized in order to obtain maximum payable metal in the pre-concentrate at optimum acid consumption. These tests are being conducted at the SGS Mineral Service's Laboratory in Durango, Mexico. Upon completion, locked cycle test work will also be conducted at the SGS facilities. Pilot plant testing, also to be conducted at SGS, will allow finalised industrial design to be completed and the tailings and geochemical characteristics generated by the pilot plant will facilitate the completion of an environmental assessment report, risk analysis and tailings management final design. The final feasibility study should be completed within three months after completing the pilot plant test work.

Incentive Stock Options

Pursuant to the Company's stock option plan, the board of directors has granted 4,225,000 options to purchase common shares in the capital stock of the Company to directors, officers, consultants and employees of the Company at an exercise price of \$0.51 per share for a period of five years. Of the total grant, 2,000,000 options were granted to directors, 1,400,000 to officers and senior employees and the balance to employees and consultants.

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Terence N. McKillen, P.Geo., Chief Executive Officer, Gerald J. Gauthier, P.Eng., Chief Operating Officer and Dr. Anthony C. Gallon, C.Eng., Chief Geologist, all 'qualified persons' within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

About Xtierra Inc.

Xtierra Inc. is a Toronto based exploration and development company listed on the TSX Venture Exchange under the symbol "XAG". There are 103,262,142 shares issued and outstanding. The Company is conducting a feasibility study on its Bilbao silver-zinc-lead-copper project in Zacatecas, Mexico. Xtierra's objective is to become a mid-tier producer of precious and base metals through the development of its Bilbao project 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.

For further information visit www.xtierra.ca or contact:

Terence McKillen
President & Chief Executive
+1 (416) 362-8243

Tim Gallagher
Director
+1 (416) 925-0090

Alejandro Alaniz
Director Finance & Administration (Mexico)
+52 (492) 925-0804