PRESS RELEASE

XTIERRA REPORTS REVISED RESOURCE ESTIMATE FOR BILBAO DEPOSIT

Toronto, May 26, 2011, Xtierra Inc. (TSXV – XAG) ("Xtierra" or the "Company"), announces that it has received a new independent resource estimate, compliant with National Instrument 43-101, for the Bilbao zinc-lead-silver-copper-gold deposit located in Zacatecas, Mexico.

The new resource estimate shows a 10% increase in Indicated Resources from the February 2010 estimate to 10.62 million tonnes and represents a 6% increase in total metal content, as zinc equivalent, from 650,565 tonnes Zn_{eq} to 688,258 tonnes Zn_{eq}.

The following table summarises the overall results of the resource estimation completed for the Bilbao Deposit, using a 3% Zn_{Eq} cut off (includes sulphide, oxide and mixed resource categories):

Resource Category	Tonnage	Lead	Copper	Zinc	Silver
	(million tonnes)	(%)	(%)	(%)	(gpt)
Indicated Resources	10.62	2.00	0.19	2.13	53.81
Inferred Resources	0.43	1.73	0.18	1.44	46.39

In the indicated category, sulphide resources represent 50% of the resource (up from 35% in the 2010 estimate), mixed oxide and sulphide resources represent 15% (down from 22%) and oxide resources represent 35% (down from 43%) of the total Indicated Resource. For the purpose of determining resources at various cut-off grades, zinc equivalent values were determined, based on the average LME metal prices during the 24 month period January 2009 to January 2011. Such average prices are given in the table below. When calculating zinc equivalent values, metallurgical recoveries and net smelter returns are assumed to be 100%.

Metal	*Price US$*	*Unit*
Silver	17.89	Ounce (oz)
Lead	0.88	Pound (lb)
Zinc	0.87	Pound (lb)
Copper	3.31	Pound (lb)

Commenting on the new resource estimate, Terence McKillen, Xtierra's President and CEO, stated: "*We are very pleased to report that substantially all of the resources have now been moved into the Indicated category. The contained metal in the current Indicated Resource of 10.62 Mt, in zinc equivalent, represents a 6% increase over that in the 2010 resource estimate and is similar to the total contained metal, in zinc equivalent, contained in the combined Inferred and Indicated tonnages from the 2010 resource estimate, indicating that there has been no loss in total contained metal by moving the previous inferred resources to the Indicated category. The independent report also concluded that the potential to identify additional mineralized bodies within Xtierra's large exploration holdings in the general Bilbao area remains excellent.*"

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The resource report was prepared by independent consulting mining geologist, Richard T.G. Parker, C.Eng., a 'Qualified Person' within the meaning of NI 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators. Mr. Parker also prepared the previously published resource estimates for the Bilbao project (November 2008 and February 2010).

The new resource estimate has been calculated at a 3% Zn_{Eq} cut off similar to that in the previous estimate. Results of infill drilling completed in Q4 2010 have been included. An empty block model was created for all of the wireframed zones. A parent block size of 5m × 5m × 2m was selected, with the vertical dimension (2m) being the smallest. Sub-blocking down to 2.5m × 2.5m × 1m was undertaken to maintain good resolution on the wireframe margins. Block dimensions were selected on the basis of the observed dimensions of the majority of mineralised lenses and in order to conform to the potential mining method and proposed open pit bench height.

The Inverse Distance Squared ("ID^2") estimation technique was utilised. The "inverse distance" technique belongs to a distance-weighted interpolation class of methods where the grade of the block is interpolated from several composites within a defined distance of the block, using the inverse of the distance between a composite and the block as the weighting factor.

A search ellipsoid was selected based on axes equal to two thirds of the ranges derived from variograms (i.e., 40m, 40m, 20m), which is commonly recognised as appropriate to Indicated resources. Searches using these parameters were applied to the Core Domains to interpolate block grades Indicated Resources. A small number of blocks in the Core Domains fell outside the criteria of search. These blocks were identified and selected for grade interpolation by search, involving longer axes (i.e., 80m, 80m, 40m) and a decrease in the minimum number of points from 3 to 1. Grade interpolation into block models was performed for each of the metals assayed (Pb, Zn, Ag and Cu) and for the calculated value for zinc equivalent (Zn_{eq}), in order to create a grade model for all metals.

Grade model plots were combined with drillhole plots and geological cross sections in order to enable comparison and visual verification of assigned block grades by confirming that the block grades in most areas are in close conformity to the geological interpretation and in particular to the extent and orientation of interpreted mineral zones.

Relevant diamond drill data is based on 74 holes, mostly vertical to a maximum depth of 420 metres, for an aggregate total of 18,820 metres. The 50 metre drill grid used at Bilbao is considered adequate for geological and grade continuity between intersections in adjacent drill holes to be reasonably assumed within the Core Domains.

The present resource estimate records a higher Indicated tonnage of 10.62 Mt than the previous 2010 estimate (9.68 Mt) due principally to the inclusion of the Q4 2010 drilling results allowing conversion of resources previously in the Inferred category to the Indicated category. The 2011 estimate is considered to be more reliable than the 2010 estimate in view of the following factors:

- The 2010 estimate used a larger parent block size, probably resulting in excessive 'smearing' of high grades.
- Zones were insufficiently constrained by wireframes in the 2010 estimate, leading to an overestimate of tonnage, especially in the Inferred category.
- The 2010 estimate did not take fully into account the estimate of 1 million tonnes of historically mined out oxide material

Additional Resource Potential

Potential to increase the Bilbao resource exists, particularly at depth to the south and southwest where a number of intersections on the margins of the drill grid indicate untested extensions. The deeper intersections in holes X84B and X85 comprise vein silver mineralisation rather than carbonate replacement-type mineralisation. More detailed drilling will be required to define these vein style targets with sufficient confidence to support a resource. The upper mineralization in holes X84B and X83 correlate well with an intersection in drill-hole CG4 (geotechnical) which has been recognized as a new manganese-rich breccia zone on which drilling is currently being conducted on which 4 holes and 2,100 metres of a planned 3,000 metre program have been completed.

Analytical Method

Samples from half-core were prepared at the Stewart Group laboratory in Zacatecas and initially analyzed for 38 element content using ICP-MS (inductively coupled plasma – mass spectrometry) by the Stewart Group (Eco-Tech Laboratory) in Kamloops, British Columbia. Values exceeding the limits of detection are automatically re-analyzed by Fire Assay or Atomic absorption spectrometry (AAS) methods respectively. Standards and blanks were used regularly for quality control.

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.

Richard T.G. Parker

Richard T.G. Parker is an independent consulting mining geologist. He received the degree of Bachelor of Science in Geology from the University of Newcastle-upon-Tyne, England in 1968 and is a Chartered Engineer registered with the Engineering Council (UK), a Professional Member of the Institute of Materials, Minerals and Mining and a Fellow of the Geological Society of London. Mr. Parker has practiced as a geologist specializing in Mineral Exploration and Development for 40 years and as a Chartered Engineer for 27 years. A copy of the Parker report will be filed on SEDAR.

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 completing 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.

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