

XTIERRA REPORTS START UP OF DRILLING TO FOLLOW UP PREVIOUSLY ENCOUNTERED HIGH GRADE SILVER TARGET AT BILBAO

Toronto, September 8, 2011, Xtierra Inc. (TSXV – XAG) (“Xtierra” or the “Company”), is pleased to announce that a 2,500 metre drilling programme has been commissioned to follow up on the high grade silver mineralisation previously encountered to the south of the Bilbao deposit (and reported on June 27 and July 21, 2011). Such drilling is expected to commence during the week of September 12, 2011.

The drilling will test a number of targets including, (a) the open-ended mineralisation encountered in veins and shear structures similar to that intersected in hole X40-1 (2.45 metres averaging 1,623g/t silver, including 3,340g/t silver over 0.60m). This hole was prematurely halted due to technical difficulties while still in mineralisation; (b) the projected extensions to brecciated silver-rich limestone horizons; and (c) a geophysical anomaly (magnetic) believed to be associated with massive, skarn-type sulphide mineralisation.

In the meantime, two additional holes are currently being drilled within the main Bilbao indicated resource wire frame area to extract an adequate volume of core sample to allow advanced metallurgical test work to be carried out, including (a) flotation test work on the sulphide ore; and (b) grinding test work on the transition and oxide ores.

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.

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.

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 103,272,142 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.

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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