

21 March 2013

NEAR TERM POTENTIAL

EXTERRA RESOURCES HAS A CLEAR VISION OF BECOMING A LOW COST GOLD PRODUCER DURING 2013

Dear Fellow Shareholders

I would like to take this opportunity to update you on our recent and planned activities for Exterra Resources Limited. Exterra Resources is forecasting maiden gold production in 2013, with a targeted full scale production rate of 20,000-25,000 ounces per year at a cash cost of approximately A\$700 per ounce.

We are on track to lodge formal documentation for Mining Approval at Second Fortune with the Department of Mines and Petroleum (DMP) before the end of March 2013. The approvals process is expected to take 9-12 weeks.

We recently announced the appointment of Mr Barry Cahill as the Project Manager for the Second Fortune Gold Mine. Mr Cahill will be responsible for overseeing the various consulting groups working on the Mining Approval, Works Approvals and Mine Closure Plan, and assembling a core team of personnel to manage the ongoing operation.

We have amplified our efforts to increase market awareness and visibility of our company story through roadshow meetings with institutional investors, presentations at investor conferences, online and print articles and social media. We will continue our efforts in the coming months and plan to attend and present at several conferences throughout 2013. We have recently engaged a new investor relations firm located in Sydney, InvestRelate to assist us in expanding our footprint in both Eastern Australian and abroad. One of Exterra's directors is currently attending Mines & Money Hong Kong, Asia's foremost mining conference, to further market our company.

Exterra Resources is a company with a promising future, a passion for what we do, and the talent to deliver results. Our exploration and development schedule is on track and we keenly anticipate production during 2013. We value your partnership as we position the company to lead into the future. I strongly believe it will be an exciting journey for us all, and I want to thank you for your on-going commitment, support, and trust.

I attach an independent research report released by Focus Research (see Exterra's ASX announcement dated 14 March 2013), for your perusal.

John Davis

Managing Director





From left to right: John Davis and Project Manager of Second Fortune, Barry Cahill.