



PANTERRA
RESOURCE CORP.

TSX-V: PRC

October 11, 2011

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PanTerra Announces Non-Brokered Private Placement

PanTerra Resource Corp. ("**PanTerra**" or the "**Corporation**") announces that it plans to complete a non-brokered private placement of up to 4,000,000 units (the "**Units**") at a price of \$0.25 per Unit for total gross proceeds to the Corporation of up to \$1,000,000 (the "**Offering**").

Each Unit will consist of one (1) common share (a "**Common Share**") in the capital of the Corporation and one half of one (1/2) common share purchase warrant (a "**Warrant**"). Each whole Warrant will entitle the holder to purchase one Common Share of the Corporation at an exercise price of \$0.40 for a period of twelve (12) months from the closing of the Offering. Upon the expiration of the mandatory hold period, in the event the common shares of the Corporation close for 30 consecutive days at a price of CDN \$0.65 or above per common share, the Corporation shall have the right to require conversion of the Warrants at the exercise price therefor.

The proceeds of the Offering will be mainly used for development activities on the Corporation's 100% held properties located in Alberta, as well as for general working capital purposes.

The Offering is subject to receipt of all necessary regulatory approvals. The securities issued pursuant to the will be subject to a 4 month hold period in Canada from the date of the closing of the Offering. The Offering is expected to close on or about November 15, 2011. Certain insiders of the Corporation may participate in the Offering.

About PanTerra

PanTerra is a diversified junior public oil and gas company listed on the TSX Venture Exchange ("**TSXV**") under the symbol "PRC", with holdings in both conventional and unconventional projects in Western Canada. The Corporation has an operated production base of 150 BOPD and 100 Mcf/d gas (based on field estimates) with excellent optimization and exploitation potential. Additionally, PanTerra holds 'rights' in excess of 120,000 acres in various properties in Western Canada. Company information can be found at: www.panterraresource.com.

For further information contact:

Fred P. Rumak P.Geol.

or Jake Pronk P. Geol

President and C.E.O. at 403-261-5900

V.P. Exploration at 403-261-5900

Email: fred@panterraresource.com

Email: jake@panterraresource.com



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This news release shall not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The Units may be offered or sold in other eligible foreign jurisdictions and to U.S. buyers on a private placement basis pursuant to an applicable exemption from registration requirements in Rule 144-A or Regulation D of the United States *Securities Act of 1933*, as amended.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation cannot assure that actual results will be consistent with these forward looking statements. They are made as of the date hereof and are subject to change and the Corporation assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the exploration for and development of crude oil and natural gas properties, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or unanticipated costs or delays and other uncertainties associated with the oil and gas industry. Due to the nature of the oil and natural gas industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities which may become available to the Corporation.

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 accuracy of this release.