



For Immediate Release: August 22, 2006

CERRO PUNTUDO DRILLING EXTENDS GOLD AND SILVER ZONES

Vancouver, B. C., August 22, 2006 – Exeter Resource Corporation (TSX-V: XRC, Frankfurt: EXB) reports that drilling at its Cerro Puntudo Project in southern Argentina has encountered significant gold and silver mineralization, extending the depth of two known zones.

At the Rico Zone, reverse circulation hole CPRC-61 intersected 12 metres averaging 4.4 grams per tonne (“g/t”) gold, including 1 metre grading 11.2 g/t gold, and 1 metre grading 34.1 g/t gold. Hole CPRC-62, located 40 metres to the north east, intersected 15 metres of 3.2 g/t gold and 13 g/t silver. Both holes were collared on the northern flank of Cerro Puntudo and intersected the mineralized zone 150 metres beneath the outcropping structure on the ridge.

At the Quebrada North Zone hole CPRC-64 intersected 9 metres grading 3.9 g/t gold and 8 g/t silver. The hole intersected the mineralized structure 120 metres down dip from the outcropping vein, 45 metres beneath previously-announced hole CPRC-50, which produced 9 metres grading 10.3 g/t gold and 39 g/t silver.

The drill program comprised 13 holes for a total of 1,699 meters and was designed to test the potential of three of five mineralized bodies discovered to date. Drill holes targeted mineralization at horizontal spacings of approximately 50 metres and 30 metres beneath previous intersections.

Significant Intersections for the recently-completed Puntudo drill program are:

RICO					
Hole Nº	From	To	Interval	Gold	Silver
	(m)	(m)	(m)	(g/t)	(g/t)
CPRC-60	91	100	9	1.0	30
	which includes				
	96	97	1	4.9	124
CPRC-61	115	119	4	1.7	4
	124	136	12	4.4	6
	which includes				
	124	125	1	11.2	11
	and				
	127	128	1	34.1	9
CPRC-62	139	140	1	0.8	19
	128	143	15	3.2	13
	which includes				
	130	131	1	7.0	21
	and				
	138	139	1	8.3	21
CPRC-63	and				
	142	143	1	7.7	7
	118	126	8	0.9	16

QUEBRADA NORTH					
Hole Nº	From	To	Interval	Gold	Silver
	(m)	(m)	(m)	(g/t)	(g/t)
CPRC-64	99	108	9	3.9	8
	which includes				
	106	107	1	6.9	32
	and				
	107	108	1	13.4	27

QUEBRADA					
Hole Nº	From	To	Interval	Gold	Silver
	(m)	(m)	(m)	(g/t)	(g/t)
CPRC-70	106	116	10	0.3	34

About Cerro Puntudo

Cerro Puntudo, like the Cerro Moro and Verde Silver projects, is one of a number of promising epithermal gold-silver properties held under Exeter's strategic agreement with Cerro Vanguardia S.A.(CVSA), an AngloGold Ashanti subsidiary.

At Puntudo, five zones of gold-silver mineralization hosted in veins and breccia bodies have been discovered to date. These bodies are aligned on a northwest-southeast striking fault that has been traced for over three kilometres. The new drilling has shown mineralization at both the Rico and Quebrada North zones to be open at depth.

Drill hole locations and geology, and a cross section through Rico can be viewed on the Exeter website at www.exeterresource.com, or by clicking on the following hyperlink: <http://www.exeterresource.com/images/gallery/plans/plans16.pdf>

Future Exploration at Cerro Moro, Verde Silver and Cerro Puntudo

Exeter has recently announced the discovery of bonanza grades (10 metres grading 15.4 g/t gold and 790 g/t silver) at the Cerro Moro Project (news release dated August 1, 2006) and the confirmation of multiple silver targets at the Verde Project (news release dated July 26, 2006). With the new results from Cerro Puntudo, Exeter has expedited ground exploration on these projects, in preparation for new drilling later this year.

Quality Control and Assurance

The gold and silver assay results presented above are preliminary and have been calculated using a 0.5 g/t gold equivalent cut-off grade, with no cutting of high grades. All reverse circulation drill samples were collected using a cyclone in one metre intervals. Samples were collected in accordance with industry standards. Samples were prepared at the ALS Chemex preparation facility in Mendoza, Argentina and assayed by fire assay (50 gram charge) at the ALS Chemex laboratory facility in La Serena, Chile, both ISO-9001:2000 certified laboratories.

Check assaying of all samples assaying greater than 1.0 g/t gold will be completed by ALS Chemex in Chile. The Company applies industry standard techniques for systematic inclusions of standard, blank and duplicate samples throughout the sample sequence as checks. Intersection widths presented above are drill core lengths and may not represent the true widths of mineralization.

Glen Van Kerkvoort, Exeter's Chief Geologist, a "qualified person" within the definition of that term in National Instrument 43-101, "Standards of Disclosure for Mineral Projects", has overall responsibility for Exeter's exploration programs in Patagonia and is responsible for the contents of this news release.

About Exeter

Exeter is a technically-advanced, Canadian gold exploration company, focused on the discovery and development of epithermal gold-silver properties in Argentina and Chile.

Currently, four drills are operating at its advanced La Cabeza gold project as a key component of project development activities that include engineering, metallurgical, hydrological, and environmental studies.

In the prospective, Patagonia region of Argentina, Exeter has a strategic agreement with Cerro Vanguardia S.A. over 12 epithermal gold-silver properties in Santa Cruz, Rio Negro and Chubut provinces.

In Chile, Exeter is prospecting some 48 gold-silver and copper targets under a strategic agreement with Rio Tinto Mining and Exploration Limited.

In the Maricunga district of Chile, Exeter has a strategic agreement with Minera Anglo American Chile Limitada and Empresa Minera Mantos Blancos S.A. on the Caspiche epithermal gold property.

You are invited to visit the Exeter web site at www.exeterresource.com

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Safe Harbour Statement - This news release may contain certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 referring to Exeter's exploration plans and expectations for advancing its exploration properties. These statements reflect our current belief and are based upon currently available information. Actual results could differ materially from those described in this news release as a result of numerous factors, some of which are outside of the control of Exeter.

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