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EXETER ANNOUNCES \$1.25 MILLION PRIVATE PLACEMENT

Vancouver, B. C., October 6, 2006 – Exeter Resource Corporation (“Exeter” - TSX-V: XRC, Frankfurt: EXB) has agreed to issue, on a non-brokered private placement basis, 500,000 units at a price of \$ 2.50 per unit (a “Unit”), for gross proceeds of \$1,250,000. The subscribers are existing shareholders, not insiders, who are increasing their investment in Exeter.

Each Unit is comprised of one common share of Exeter and one-half of one warrant (each whole warrant a "Warrant"), with each Warrant being exercisable for one common share of Exeter at an exercise price of \$3.00 per common share for a period of 18 months after the closing date, provided that if the closing price of Exeter's common shares on the TSX Venture Exchange is equal to or higher than \$3.25 per common share for a period of 10 consecutive trading days at any time after four months and one day after the closing date, Exeter may accelerate the expiry date of the Warrants by giving notice to the holders thereof, and, in such case, the Warrants will expire on the 30th calendar day after the date on which such notice is given.

The private placement is subject to regulatory approval and to standard closing conditions. There are no finders fees payable in connection with this financing. All securities issued pursuant to the private placement will be subject to a four-month hold period, from the date of the closing of the private placement.

The proceeds of this financing, together with those from Exeter's \$9 million private placement which closed earlier this week, will be used to advance it's La Cabeza gold project, for exploration of its other properties in Argentina and Chile, and for working capital.

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.

Four drills are operating at its advanced La Cabeza gold project to verify and extend gold and silver resources. Concurrently, project development activities, including engineering, metallurgical, hydrological, and environmental studies, are underway.

In the prospective, Patagonia region of Argentina, Exeter has a strategic agreement with Cerro Vanguardia S.A. over 12 epithermal gold and silver properties in Santa Cruz, Rio Negro and Chubut provinces. Current exploration is focusing on detailing vein extensions, under extensive sand and gravel cover, at Cerro Moro, ahead of further drilling planned for final quarter this year.

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

EXETER RESOURCE CORPORATION

**Bryce Roxburgh
President and CEO**

For further information, please contact:

Bryce Roxburgh, President or Rob Grey, Investor Relations
Tel: 604.688.9592 Fax: 604.688.9532
Toll-free: 1-888-688-9592

Suite 1260, 999 West Hastings Street
Vancouver, B.C. Canada V6C 2W2
exeter@exeterresource.com

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