EXCO RESOURCES LTD

THE EXCO PROJECT PIPELINE

SEPTEMBER 2009

Proactive Investors One2One Investor Forum -17 September 2009 - London

DISCLAIMER

This presentation contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or $ in this presentation are to AUS$ currency, unless otherwise stated.

Information in this presentation relating to mineral resources and exploration results is based on data compiled by Exco's Exploration Manager Stephen Konecny and Mr Mike Dunbar, (who is a full time employee of the Mitchell River Group and a consultant to Exco Resources Ltd), both Mr Konecny and Mr Dunbar are members of The Australasian Institute of Mining and Metallurgy. Mr Konecny and Mr Dunbar have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Konecny and Mr Dunbar consent to the inclusion of the data in the form and context in which it appears.

AGENDA

- **Snapshot of Exco**
- **Strategic Overview**
- **Project Pipeline**
  - ***Development*** - White Dam Gold
  - ***Feasibility*** - Cloncurry Copper
  - ***Exploration*** - Hazel Creek Copper
  - ***Joint Ventures*** - Ivanhoe
- **Summary**

SNAPSHOT OF EXCO (ASX:EXS)

EXS – Ordinary Shares	**284,733,625**
- Unlisted Options	19,400,000
Current Share Price (17/9/09)	**A$0.25**
- 12-month range	**A$0.063 - A$0.36**
Market Capitalisation (undiluted)	**A$71.2M**
(fully diluted)	**A$76.0M**
Cash (end Q2/09)	**A$10.8M**

Board of Directors

Barry Sullivan	Chairman
Michael Anderson	Managing Director
Alasdair Cooke	Executive Director
Craig Burton	Non-Exec Director
Peter Reeve	Non-Exec Director

Major Shareholders

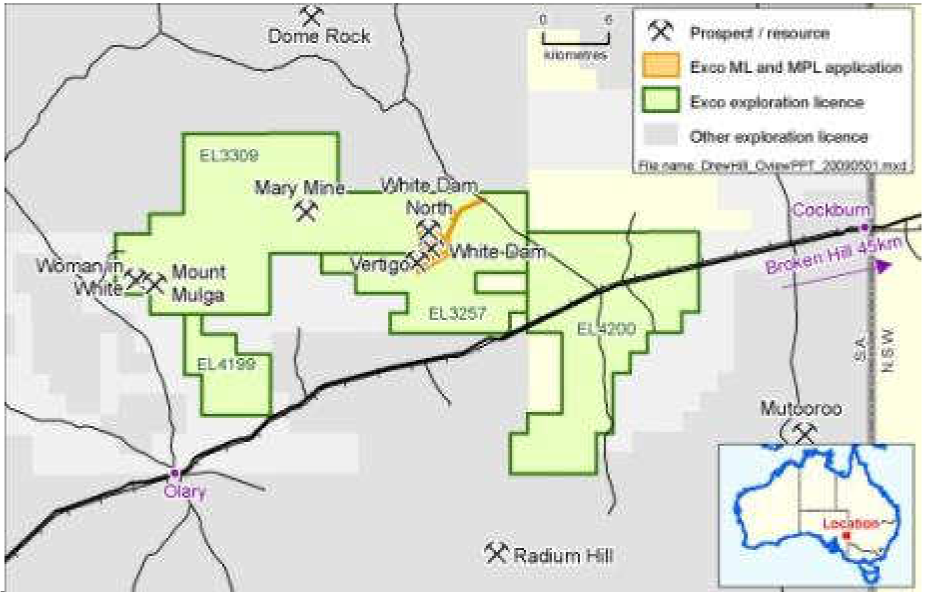
Ivanhoe Australia Ltd	19.5 %
Lion Selection Group Limited	9.3 %
Alasdair Cooke	5.7 %
TOP 10	**>50 %**

STRATEGIC OVERVIEW

- **OPPORTUNITY** Project portfolio offers near-term opportunities to create cash flow as a platform to grow a significant business.
- **WHITE DAM** Final approvals & funding arrangements in place. Initial site works underway. On track for first gold production in early 2010.
- **CLONCURRY** Critical mass of Indicated Resource in place for 10-year mine life. EIS submitted ahead of project approvals. Granted significant status. Definitive Feasibility Study underway.
- **ORE SUPPLY** Treatment of Exco's ores at Xstrata's Ernest Henry operation represents a potential alternative to stand alone development.
- **HAZEL CREEK** Highly prospective exploration package in established base metal province. Exco is proactively seeking an investment partner to expedite an aggressive exploration program.
- **FUNDING** Post recent A$7.2m placement the Company is adequately funded to achieve immediate objectives.

WHITE DAM GOLD PROJECT

- Mining Lease granted & MARP now approved
- JV Agreement with Polymetals Exco retains 75% of the project
- Plan to treat 2Mtpa commencing in late 2009.
- Initial site works underway ahead of construction in late Q3/2009
- Funding arrangements in place with Barclays Capital
- On track for first gold production in Q1/2010
- Current A$ gold price offers very attractive margins with projected costs ≤A$600/oz



WHITE DAM RESOURCE BASE

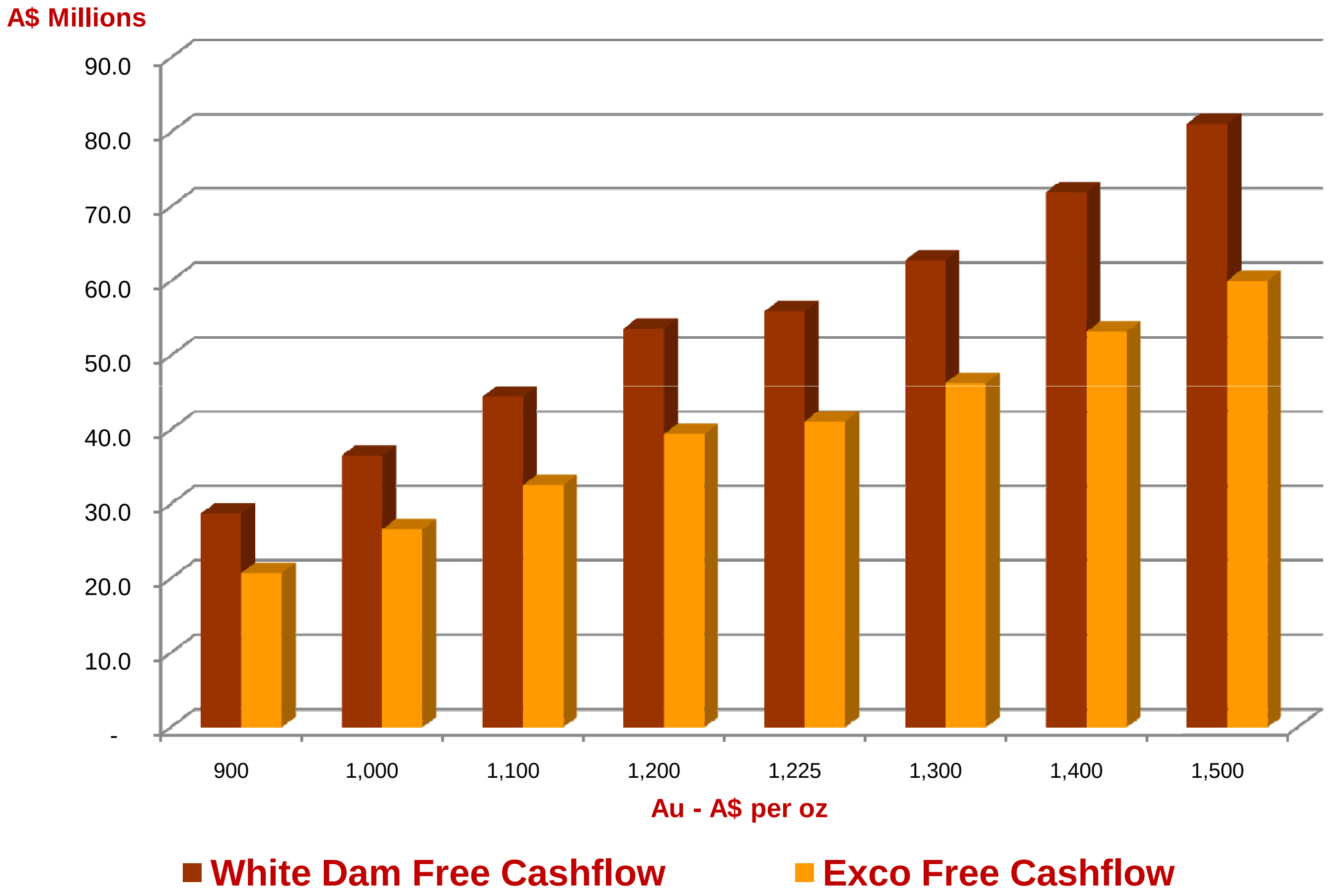
- **Total Resources – 10.12 Mt @ 1.04 g/t Au for 338,000 oz**
- **Including a Probable Reserve of 4.43Mt @ 1.04 g/t Au for 149,000 oz (Strip ratio 1:1)**
- **Further potential at Vertigo, White Dam & White Dam North**

White Dam Gold Project - Mineral Resource Estimate

[(White Dam resource re-estimated in 2009 using Ordinary Kriging (0.4/t cut-off grade)]

Deposit	Indicated		Inferred		Total		
	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Ounces
White Dam Oxide	4,780,000	1.05	830,000	1.13	5,610,000	1.06	191,000
White Dam Fresh	830,000	1.04	1,150,000	0.87	1,980,000	0.95	60,000
Sub -Total	***5,610, 000***	***1.05***	***1,980,000***	***0.98***	***7,590,000***	***1.03***	***251,000***
Vertigo Oxide			1,200,000	1.00	1,200,000	1.00	38,000
Vertigo Fresh			1,330,000	1.14	1,330,000	1.14	49,000
Sub -Total			***2,530,000***	***1.07***	***2,530,000***	***1.07***	***251,000***
TOTAL	***5,610, 000***	***1.05***	**4,510,000**	**1.03**	**10,120,000**	**1.04**	**338,000**

WHITE DAM CASH FLOW



ASSUMPTIONS

- Au – A$1100/oz
- Recovery 70%
- Production 120,000oz
- 30 month project life
- Costs – A$570/oz
- Peak Funding ~A$19M

CASH FLOW *

- Project - A$42M
- Exco (75%) - A$31M

**After financing, before discounting & tax*

EXCO's COPPER PORTFOLIO

Cu-Au-Fe-U Projects in Mt Isa Block, NW Qld

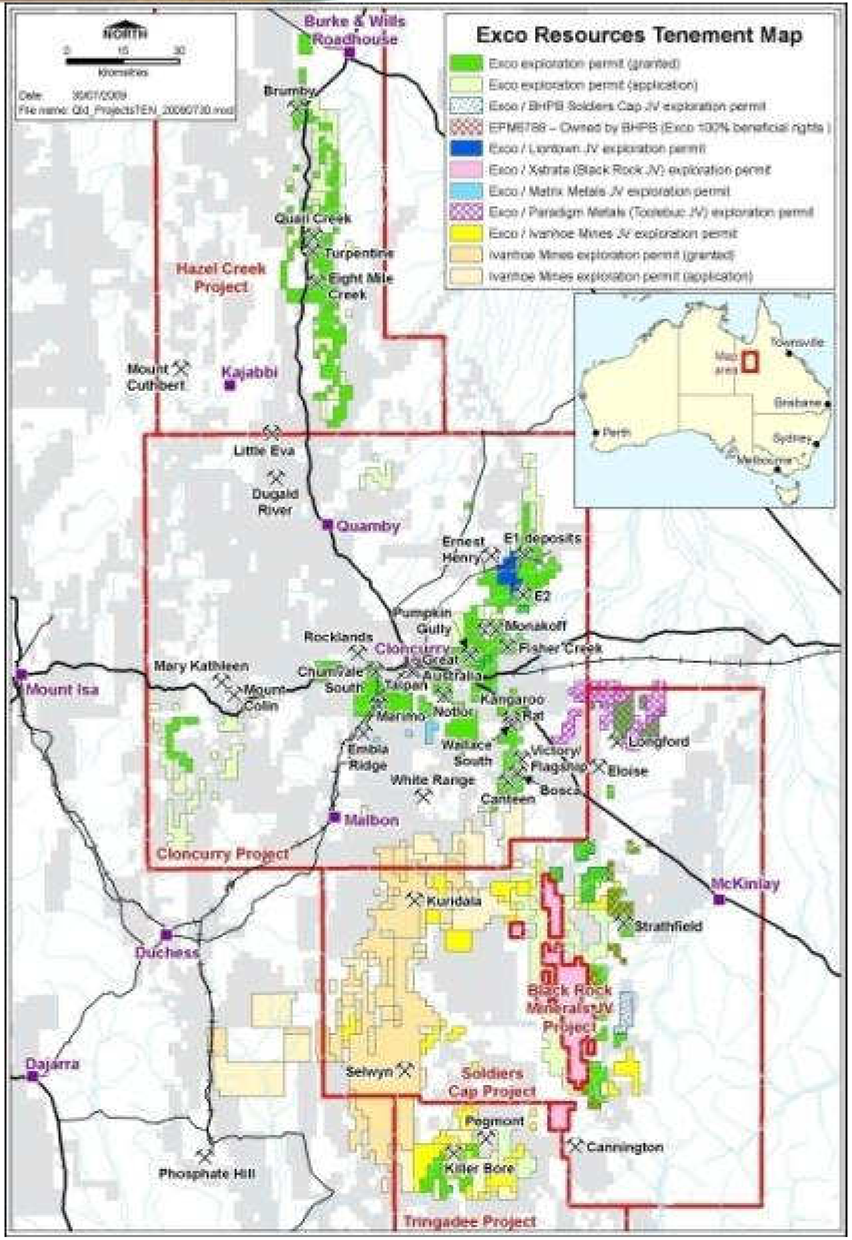
Region hosts a number of 'world class' deposits

Established mining culture and infrastructure

Exco has a strategic landholding (>4,100km²)

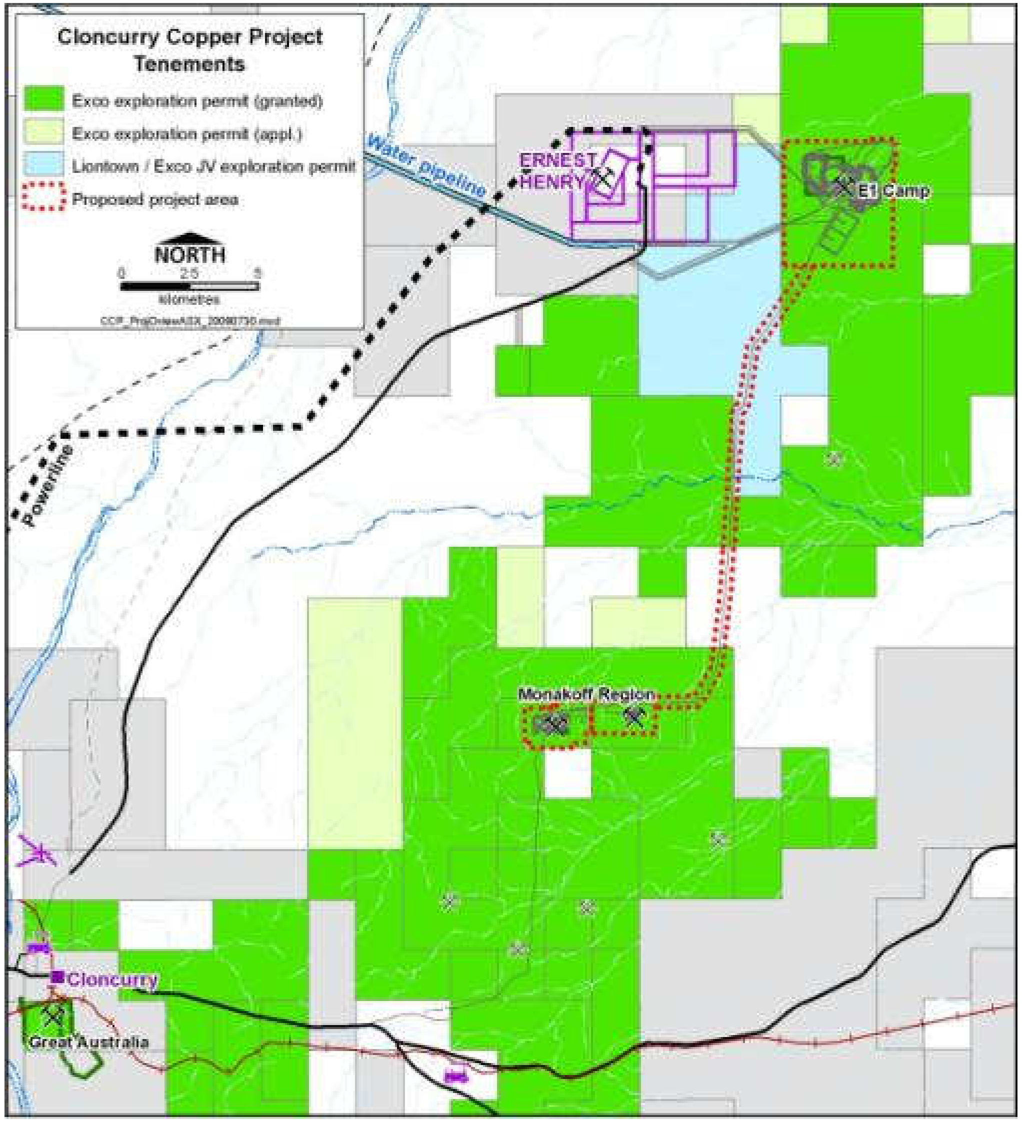
Three key 'centres of gravity'

1. *Cloncurry Copper Project (Feasibility)*
2. *Hazel Creek Project (Exploration)*
3. *Southern Joint Venture Projects*
   - Ivanhoe
   - Xstrata
   - BHP Billiton



(1) CLONCURRY COPPER PROJECT (CCP)

- Established 51Mt resource base
- Key deposits: E1 Camp & Monakoff
- Initial 10-year open-pit mine life
- Stand-alone concentrator concept
- Throughput ≤3.0 Mtpa of ~0.9% Cu ore
- Production ~25ktpa Cu, ~17koz Au
- Straightforward process & metallurgy
- By-product potential: Co, Fe, & U
- Native title agreements in place
- EIS submitted ahead of approvals
- “Project of Regional Significance”
- Full DFS underway



(1) CCP- RESOURCE BASE

PROJECT	DEPOSIT	CLASS	TONNES	GRADE		METAL	
				Cu %	Au g/t	Cu T	Au Oz
CLONCURRY COPPER PROJECT	E1 Camp	Indicated	24,600,000	0.83	0.24	205,000	194,000
		Inferred	20,200,000	0.7	0.2	133,000	115,000
		Sub - total	***44,800,000***	***0.75***	***0.21***	***338,000***	***309,000***
	Monakoff * & Monakoff East	Indicated	2,000,000	1.39	0.44	28,000	28,000
		Inferred	2,000,000	1.3	0.4	25,000	26,000
		Sub - total	***4,000,000***	***1.32***	***0.42***	***53,000***	***54,000***
	Great Australia *	Indicated	1,400,000	1.53	0.13	21,000	6,000
		Inferred	800,000	1.57	0.14	12,000	3,000
		Sub - total	**2,100,000**	**1.54**	**0.13**	**33,000**	**9,000**
	SUB - TOTAL	Indicated	28 Mt	0.91	0.25	254,000	228,000
		Inferred	23 Mt	0.74	0.19	171,000	144,000
		Total	51 Mt	0.83	0.23	425,000	373,000
OTHER	SUB - TOTAL	*ALL*	6.0 Mt	1.16	0.55	70,300	107,000
TOTAL			57.0 Mt	0.87	0.26	495,000	480,000

•Granted Mining Leases

Note: For breakdown of classification for "Other" deposits see Exco's Website - excoresources.com.au
Discrepancies in totals are as result of rounding

(1) RESOURCE GROWTH

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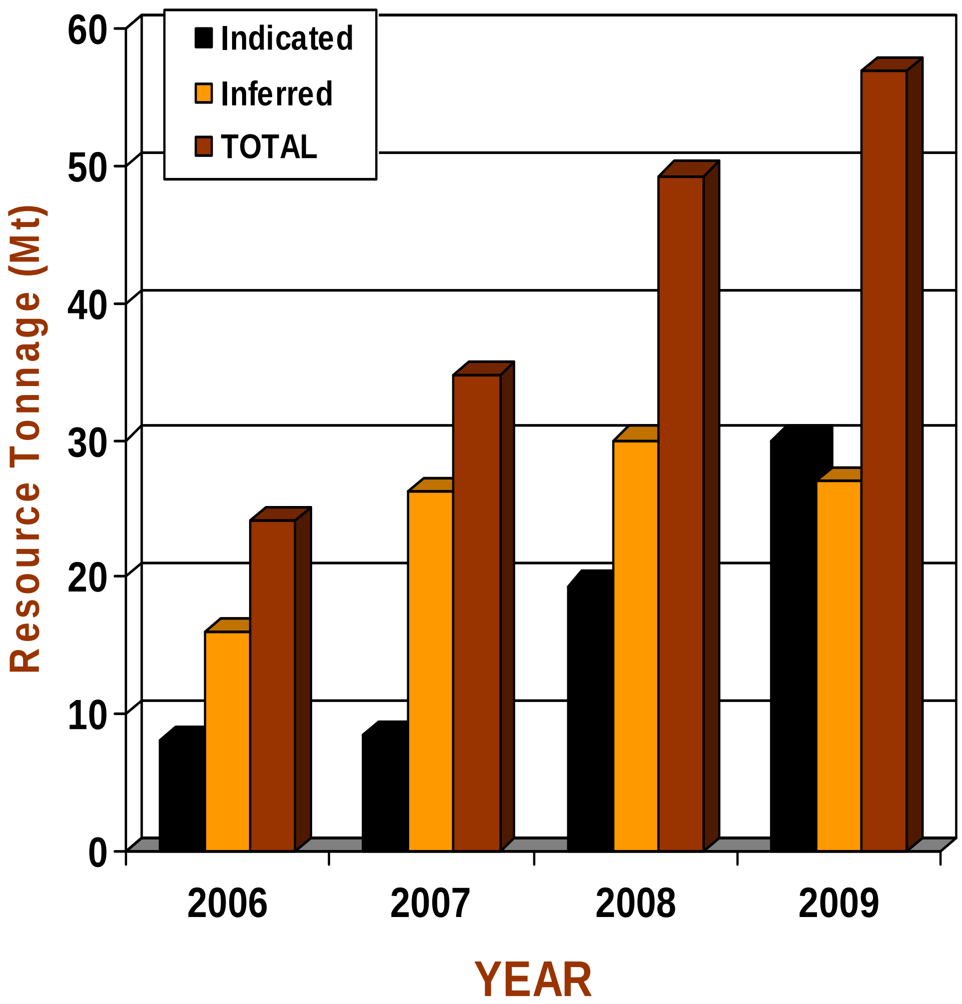


>130% increase in Resource Tonnage over last 2 years

Contained Cu up by 109%.

Total resource base now contains ~500,000t of Cu

Contained Au up by 150%

"Critical Mass" of >50Mt now within the Cloncurry Copper Project (CCP)

28Mt of Indicated Resources within the CCP provides the basis for a 10-year mine life

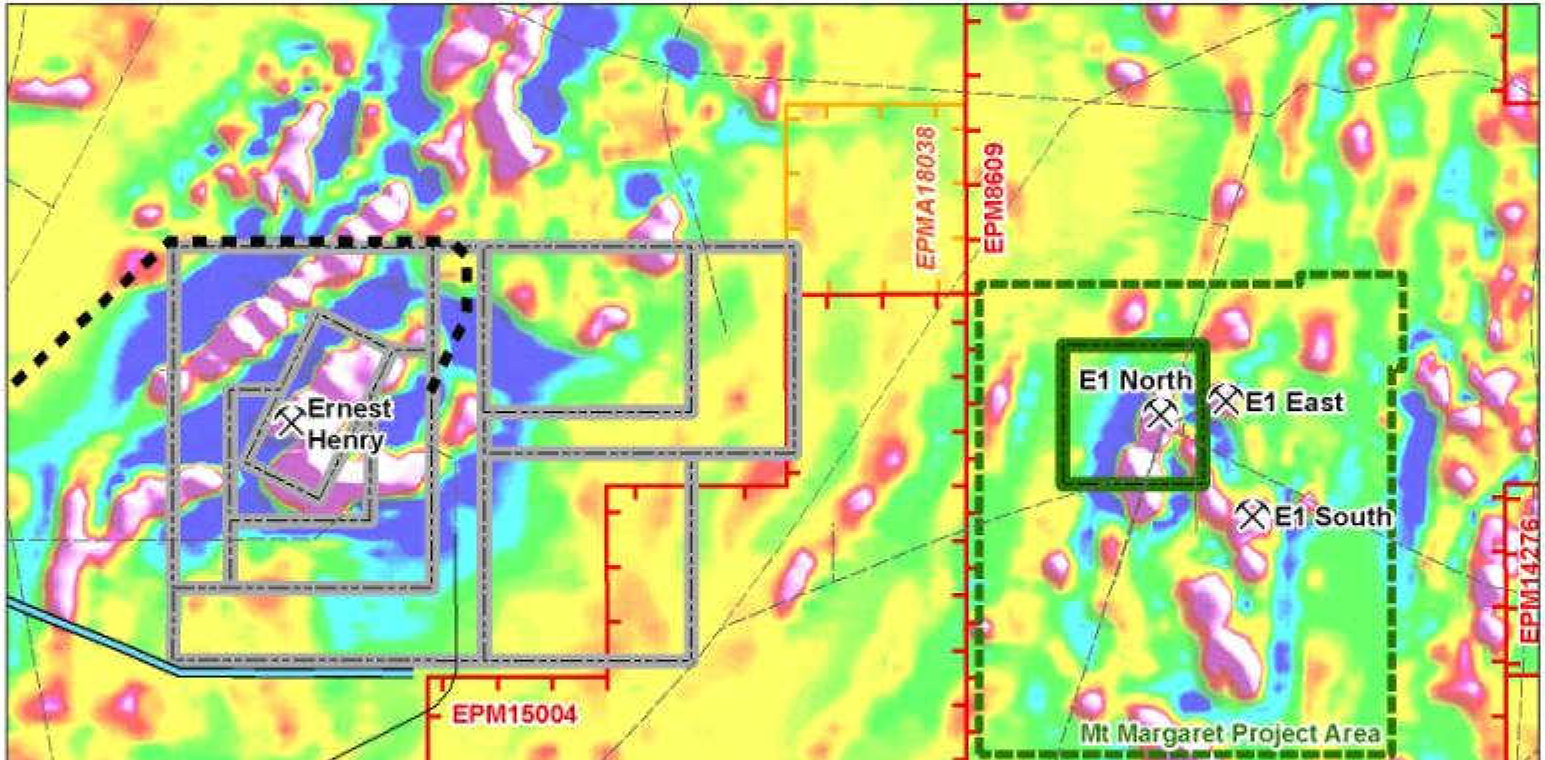
Expect significant further upside from ongoing exploration & resource development activities

(1) CCP – FINANCIAL MODEL

	PFS	DFS*
Throughput	2Mtpa	3Mtpa
Initial Project Life	11.5 years	8-10 years
Cu recovery	93%	93%
Au recovery	80%	80%
Estimated Capital Cost (±25%)	~A$209M	~A$250M
Operating Cost (including TC/RC & royalty)	US$1.80/lb	US$1.73/lb
Gold credit	(US$0.34/lb)	(US$0.34/lb)
Total Cash Cost	US$1.46/lb	US$1.39/lb
Base Case NPV @8.5% (Cu & Au only)	**A$126.7M**	**A$256M**
IRR (Cu & Au only)	28.6%	37%
Potential By-product NPV (Co & Magnetite)	A$50-70M	A$50-80M
Average Cu Price assumed	US$2.68	US$2.50
A$ Exchange	US$0.9	US$0.7
Payback period	2-3 years	2-3 years

**** Indicative model***

(1) XSTRATA ORE SUPPLY OPTION



(2) HAZEL CREEK PROJECT

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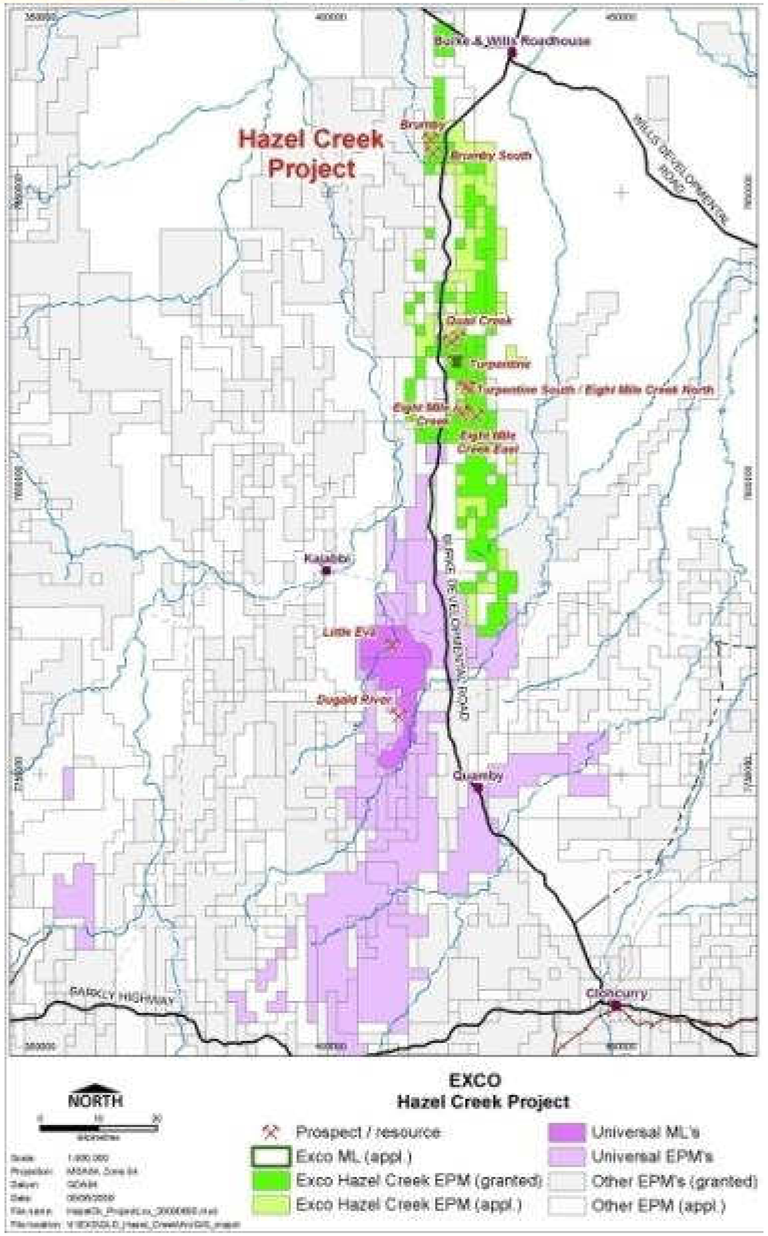
- Greenfields exploration project
- >500km^2 of highly prospective tenements
- One of few remaining underexplored belts
- Turpentine resource (1.8Mt @ 1%Cu)
- Numerous ore grade intersections
- Geophysics has identified target potential
- Majority of targets remain untested
- Potential synergy with adjacent projects
- Exco planning an aggressive program
- Discussions underway with potential partners



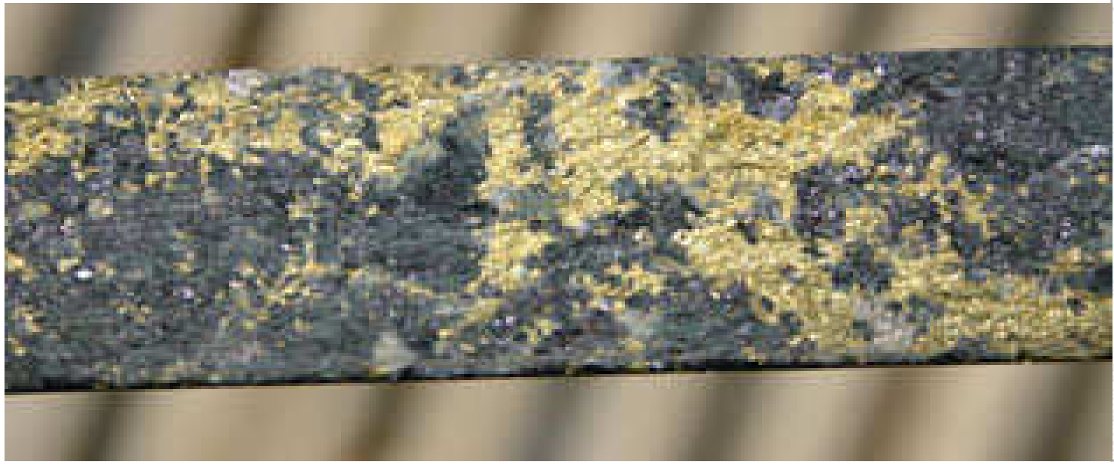
(2) HAZEL CREEK PROJECT

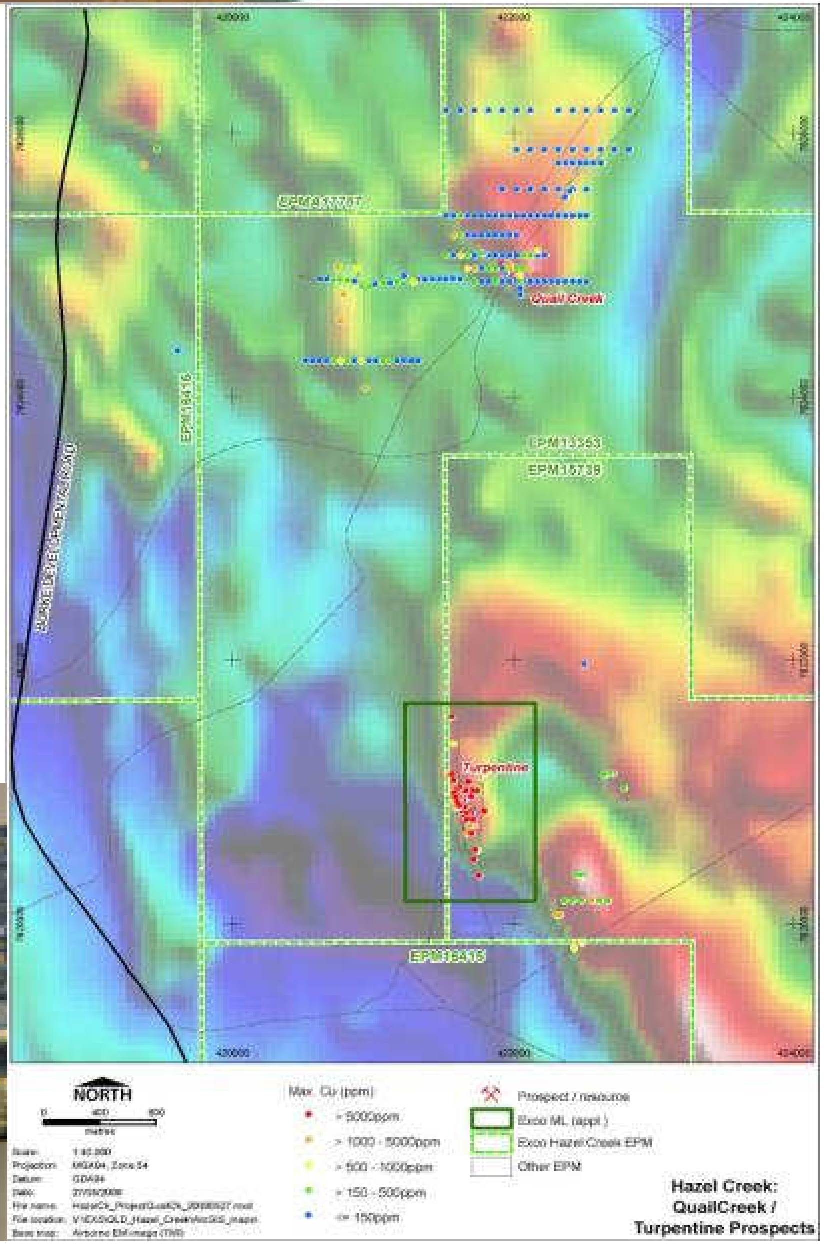
Key prospects include;

- Turpentine
- Quail Creek
- Eight Mile Creek
- Brumby

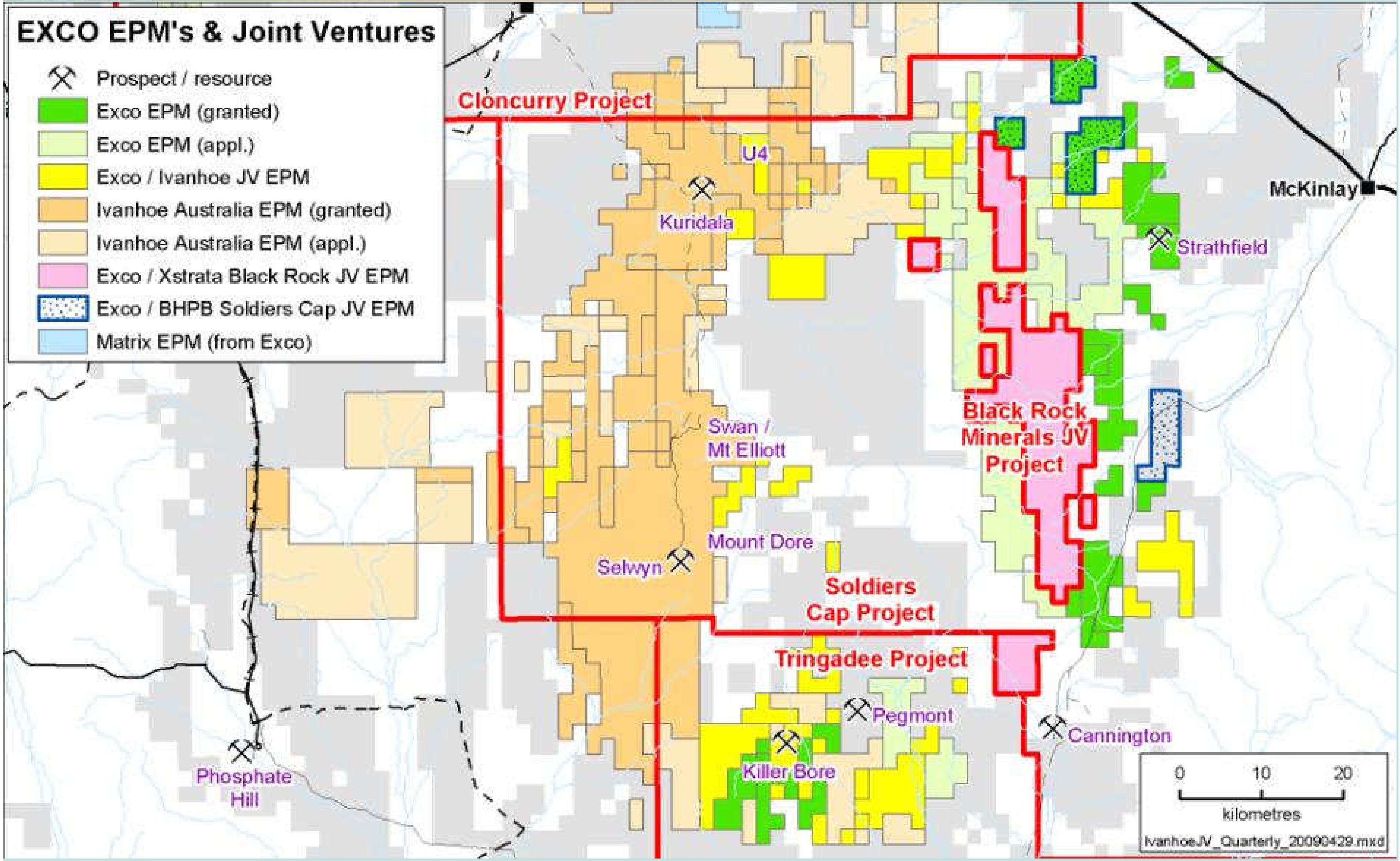
Extensive use of geophysics (Magnetics & IP) to identify priority targets

Drilling plan in place to commence immediately (subject to funding)





(3) JOINT VENTURE AREAS



EXS – INVESTMENT DRIVERS

- **<u>MANAGEMENT</u>:** A Board & Management Team with the track record and experience to deliver value from Exco's project portfolio

- **<u>ASSET QUALITY</u>**: Strategic ground positions in highly prospective belts, and a resource base which continues to grow

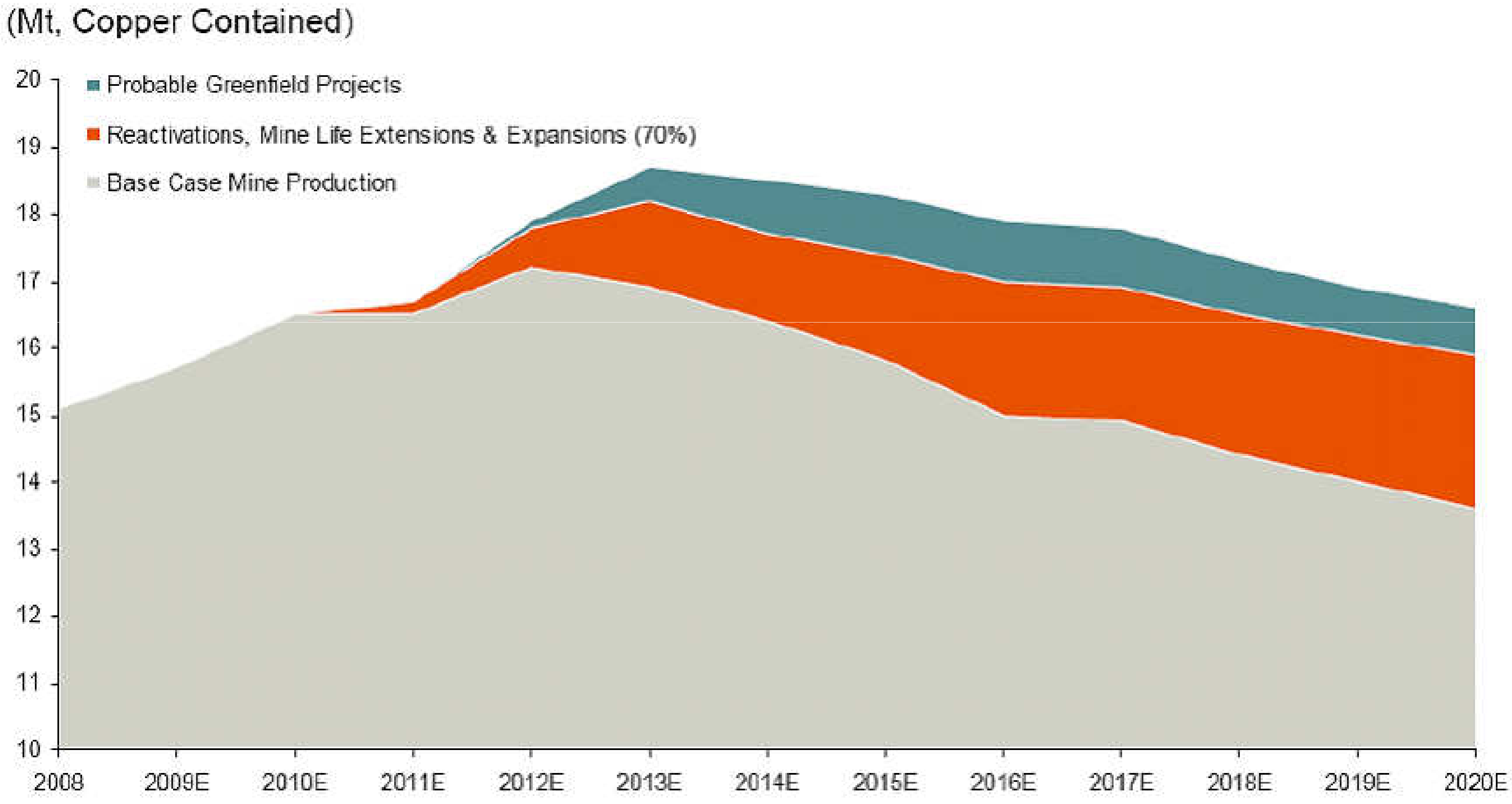
- **<u>A PIPELINE OF PROJECTS</u>**: Near-term opportunity to produce significant cash flow as a platform to grow the business:

  1. *Construction of White Dam Gold Project in 75:25 JV with Polymetals*
  2. *Stand-alone and ore-supply options at the Cloncurry Copper Project*
  3. *Exploration potential at Hazel Creek*
  4. *Joint Venture optionality with 'major' partners including Ivanhoe*

- **<u>COMMITMENT</u>:** Exco is committed to expediting the path to cash flow, and to creating maximum value for shareholders

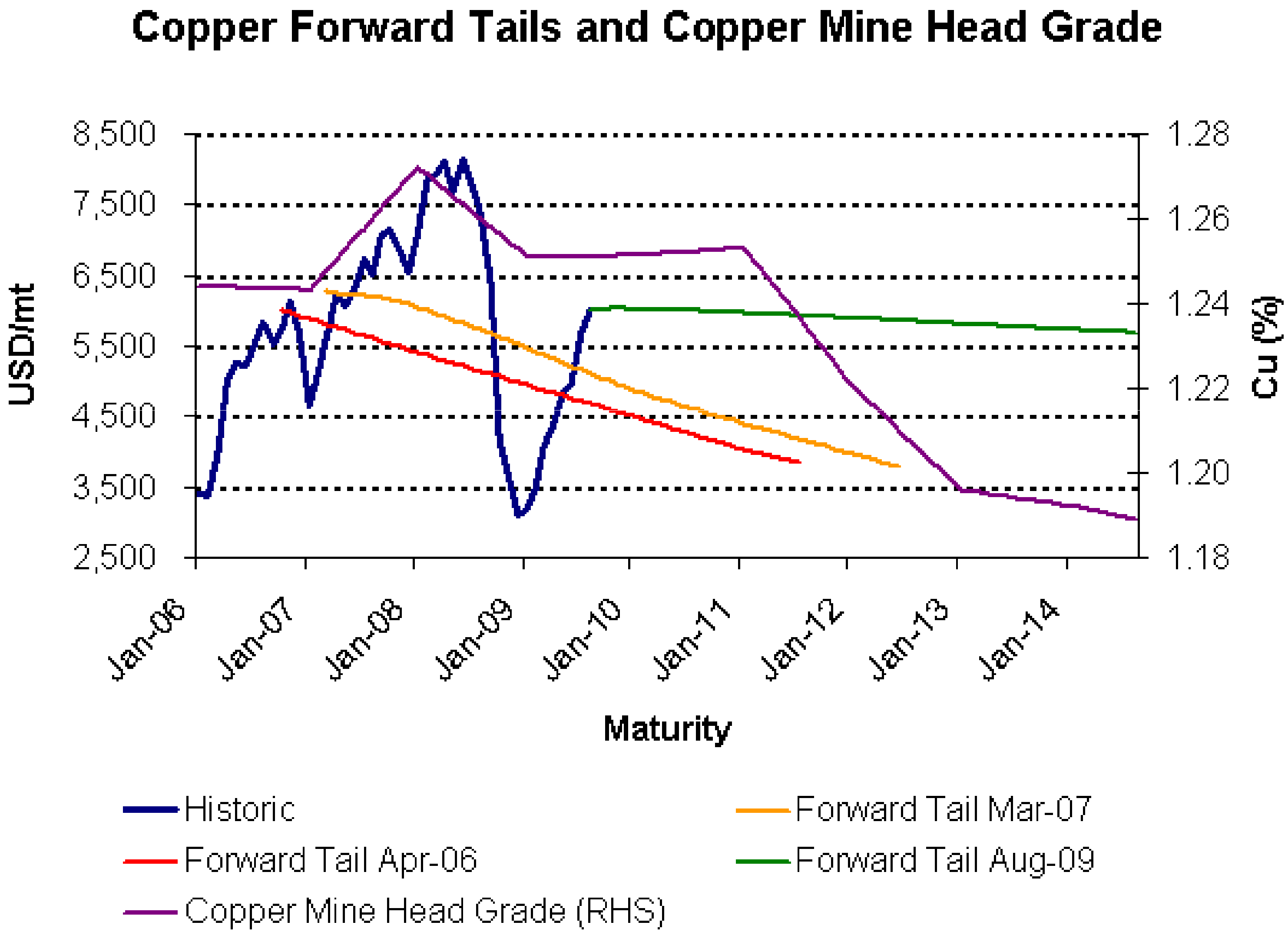
Cu SUPPLY FORECASTS

Forecast copper mine supply (2008 – 2020)

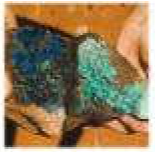
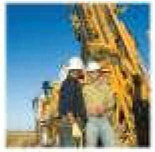


Source: BHP Billiton, Brook Hunt, Macquarie Research, September 2009

Cu PRICE FORECASTS



Source: Barclays Capital, Bloomberg and Brook Hunt (August 2009)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