



EXCO
RESOURCES LTD

EXCO'S PROJECT PIPELINE

Australian Au & Cu

Mining 2010 – Brisbane, 28 October 2010

Presented by Michael Anderson – Managing Director



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 AUD 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 who is a member of The Australasian Institute of Mining and Metallurgy. Mr Konecny has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 consents to the inclusion of the data in the form and context in which it appears.



AGENDA

- **Snapshot of Exco**
- **Strategic Overview**
- **Project Pipeline**
 - *Production* - White Dam Gold
 - *Feasibility* - Cloncurry Copper (CCP)
 - *Exploration* – CCP & Hazel Creek
 - *Joint Ventures*
- **Summary**





SNAPSHOT OF EXCO (ASX:EXS)



EXS – Ordinary Shares	346,494,187
- Unlisted Options	9,150,000
Current Share Price (25/10/10)	A\$0.50
- 12-month range	A\$0.175 - A\$0.595
Market Capitalisation (undiluted)	A\$173.2M
(fully diluted)	A\$177.8M
Cash (end Q3/10)	A\$11.5M



Board of Directors

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

Major Shareholders (as of 21/10/10)

Ivanhoe Australia Ltd	22.9%
JP Morgan Nominees	8.5%
WH Soul Pattinson & Co	7.5%
Alasdair Cooke	4.9%
Sin-Tang (Aus-Ore)	4.7%
TOP 10	> 60%



STRATEGIC OVERVIEW

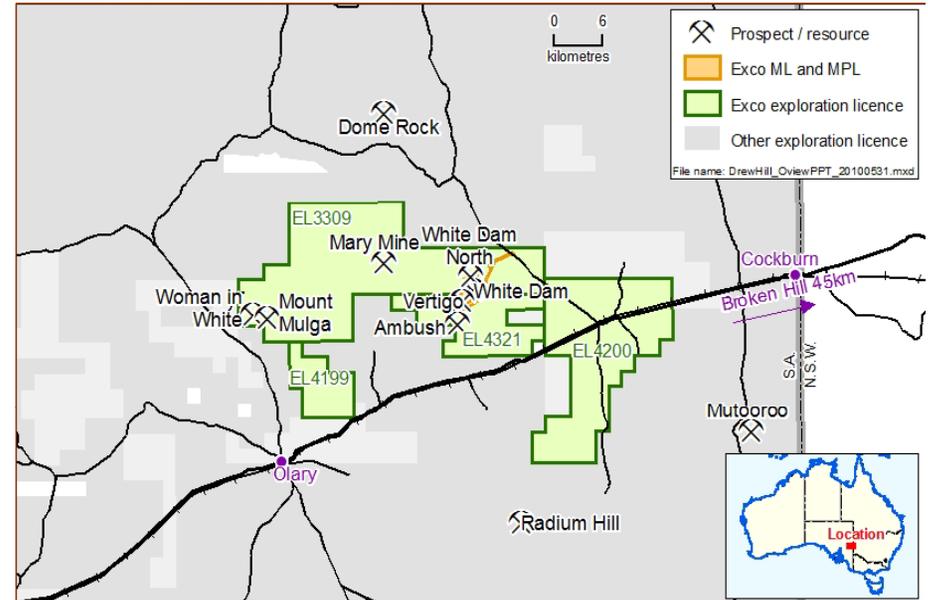
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- ❖ **OPPORTUNITY** Project portfolio generating cash flow and creating a platform to grow a significant business.
Corporate activities potentially offer an additional route to value.
- ❖ **WHITE DAM** Text-book start-up followed by strong production & high A\$ gold prices. Targeting further upside from operations & exploration.
- ❖ **CLONCURRY** Critical mass of Measured & Indicated Resource in place for 10-year mine life. EIS submitted seeking project approvals. Development partners identified.
- ❖ **ORE SUPPLY** Treatment of Exco's ores at Xstrata's Ernest Henry and / or CopperChem's Great Australia operations represents a potential alternative to stand alone development.
- ❖ **HAZEL CREEK** Highly prospective tenement portfolio in an established base metal province. Exco has commenced a targeted exploration program.
- ❖ **FUNDING** Exco is adequately funded to progress exploration and feasibility activities. Proactively assessing strategic alternatives for Cu projects, ahead of key decisions in the coming months.



WHITE DAM GOLD (EXS – 75%)

- Operating JV with Polymetals (25%)
- First gold produced in April 2010 after very successful construction & commissioning
- Cash positive 2 months earlier than expected; a great start!
- Production rate of >65,000oz pa achieved
- On track to payback Barclays in Q4/10
- Focusing on three key areas of upside;
 - **Recovery** - Initial operating performance is very encouraging
 - **Exploration** at Vertigo, White Dam North & Ambush can extend mine life
 - **A\$ gold price** - very attractive margins with costs ~A\$600/oz & a pragmatic approach to hedging.



White Dam Production (to 18 October 2010)	
Gold poured (oz)	29,086
Exco's 75% share (oz)	21,815
Barclays Loan Repayment (oz)	10,572 (67%)
Average Sale Price – A\$/oz	1,382
Exco revenue – A\$	13,436,369



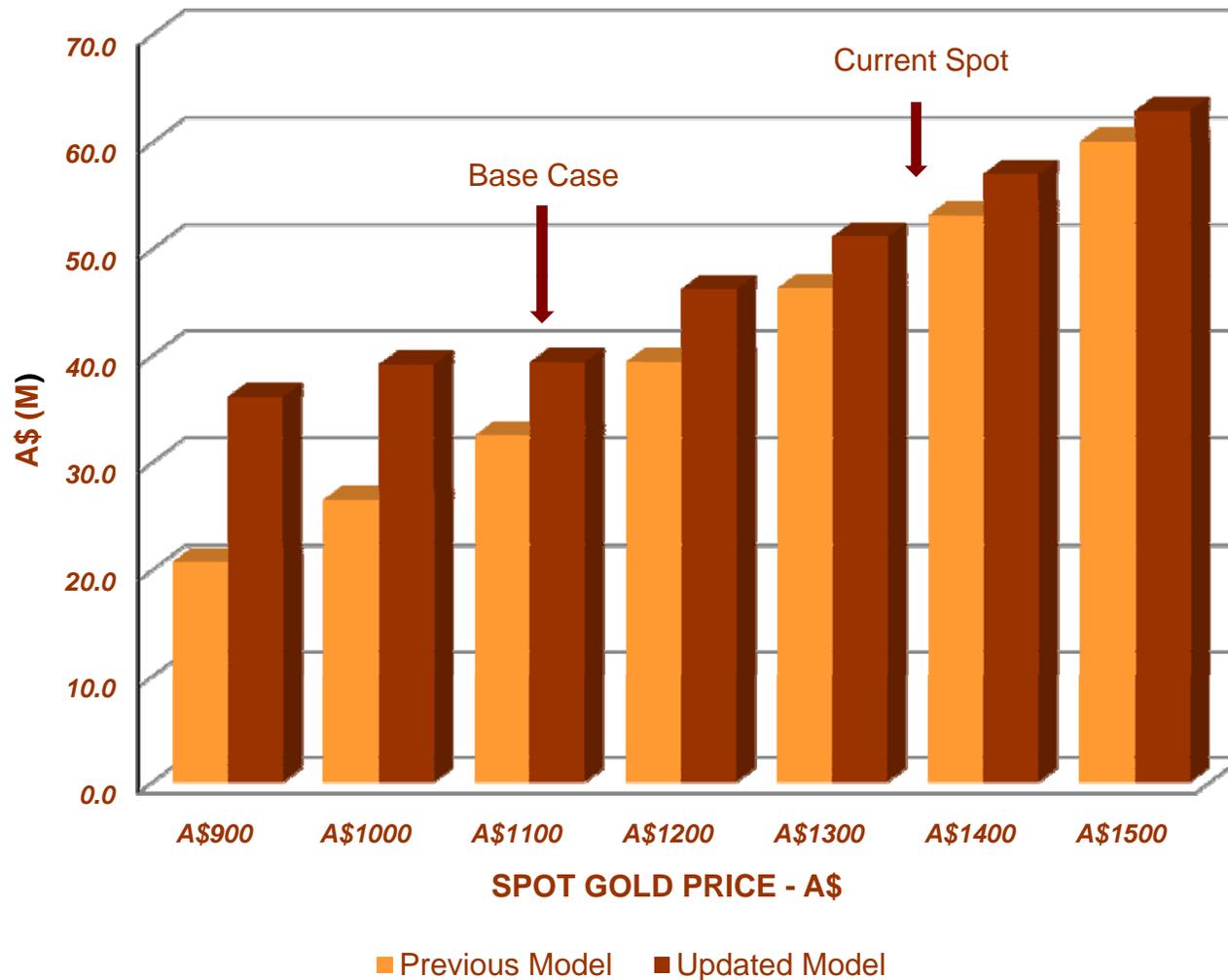
WHITE DAM RESOURCE UPSIDE

- **Total Resources – 9.6 Mt @ 1.05 g/t Au for 325,000 oz**
- **Probable Reserve - 4.94Mt @ 1.07 g/t Au for 170,400 oz (Strip ratio 1:1)**
- **Further potential at Vertigo, White Dam, White Dam North & Ambush**
- **In-fill drilling complete at Vertigo; expect upgrade to reserve shortly**

White Dam Gold Project - Mineral Resource Estimate							
<i>[(White Dam resource re-estimated in 2009 using Ordinary Kriging (0.4/t cut-off grade)]</i>							
Deposit	Indicated		Inferred		Total		
	Tonnes	g/t	Tonnes	g/t	Tonnes	g/t	Ounces
White Dam Oxide	5,149,000	1.09			5,149,000	1.09	180,100
White Dam Fresh	603,000	1.08	1,315,000	0.88	1,918,000	0.94	58,000
Sub -Total	5,752, 000	1.07	1,315,000	0.88	7,067,000	1.05	238,100
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	87,000
TOTAL	5,752, 000	1.07	3,845,000	1.00	9,597,000	1.05	325,000

WHITE DAM – UPDATED MODEL

WHITE DAM CASHFLOW - EXCO (75%) *



ASSUMPTIONS

- Recovery 70%
- Production 120,000oz
- 30 month project life
- Costs – A\$570/oz
- Actuals on production to date
- Includes new hedging and put options

HIGHLIGHTS

- Increased cash flow at all levels
- Downside protected
- Exposed to upside from
 - Price
 - Recovery
 - Exploration

* After financing, before discounting & tax



WHITE DAM GOLD PROJECT

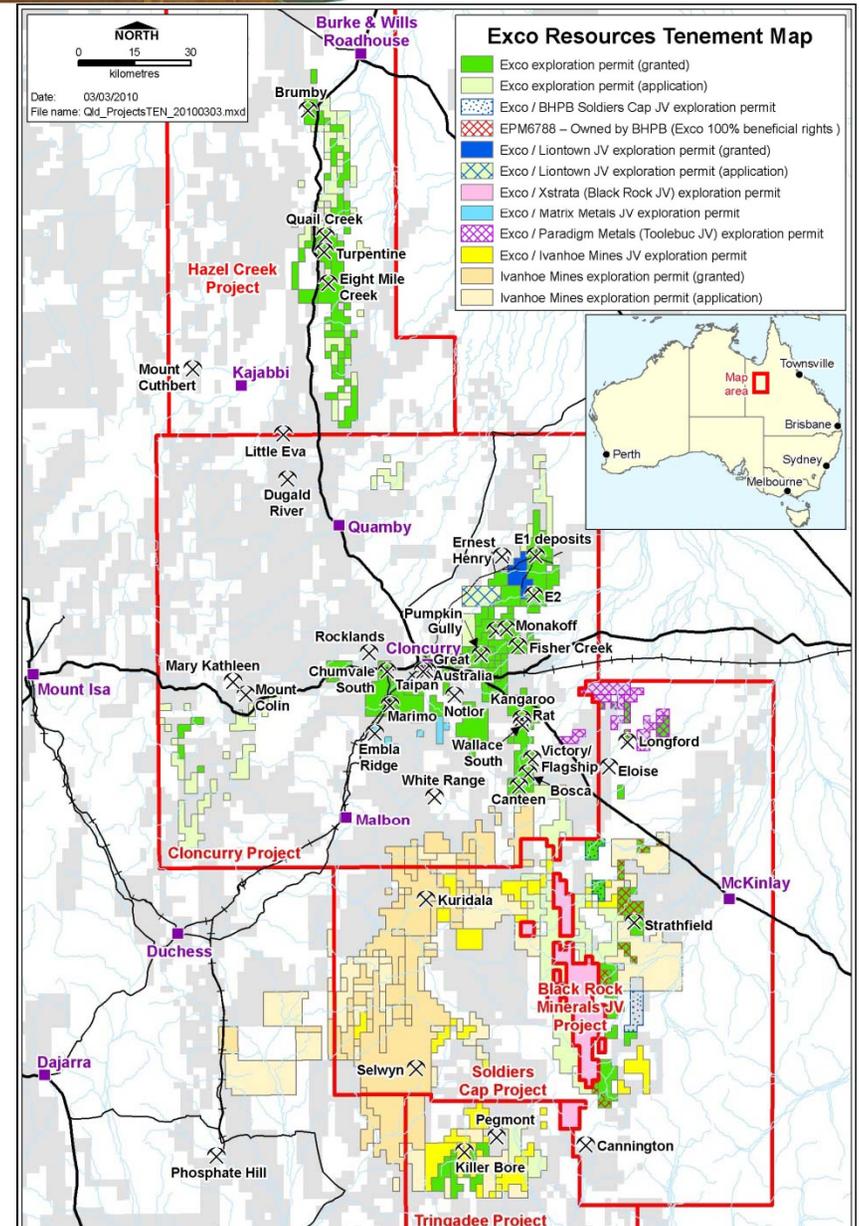
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EXCO's COPPER PORTFOLIO



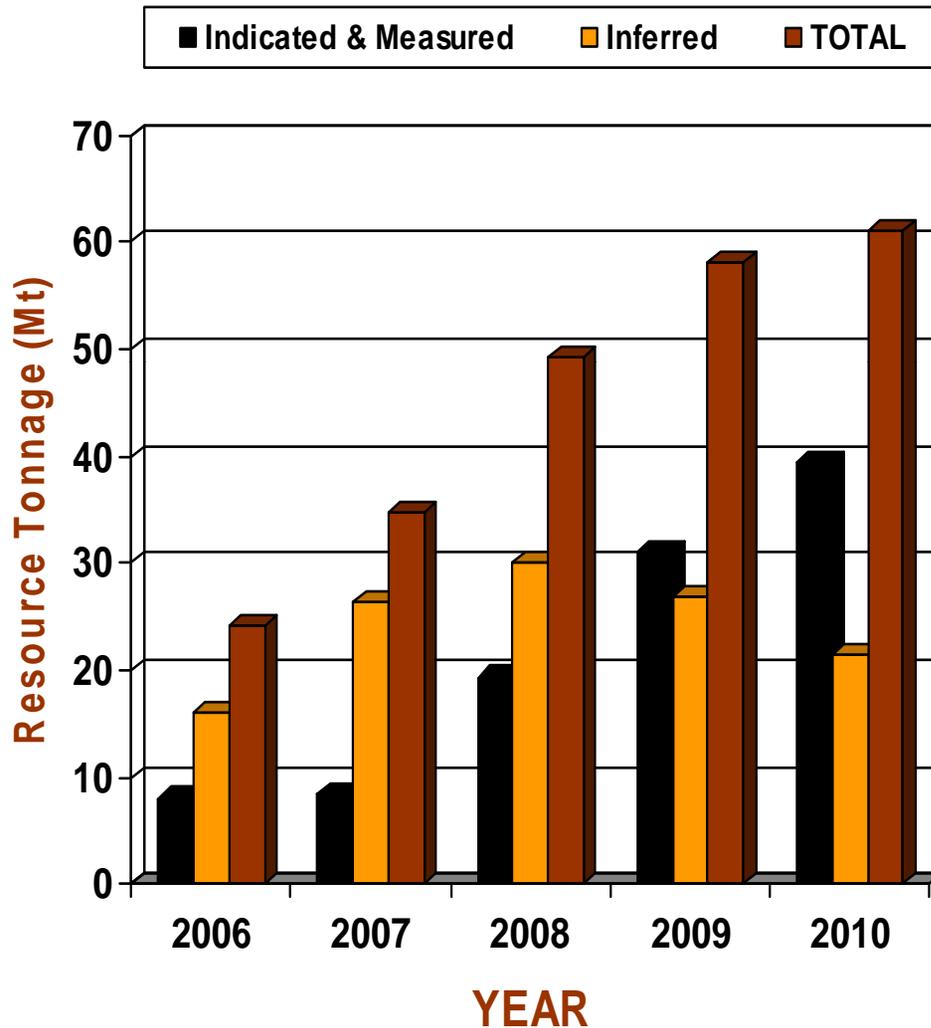
- Cu-Au-Fe-U Projects in Mt Isa Block, NW Qld
- Region hosts a number of 'world class' deposits
- Established mining culture and infrastructure
- Exco has a sizeable & strategic landholding
- Three key 'centres of gravity'
 1. *Cloncurry Copper Project (Feasibility)*
 2. *Hazel Creek Project (Exploration)*
 3. *Southern Joint Venture Projects*
 - Ivanhoe
 - Xstrata
 - BHP Billiton



COPPER RESOURCE BASE

PROJECT	DEPOSIT	CLASS	TONNES	GRADE		METAL	
				Cu %	Au g/t	Cu T	Au Oz
CLONCURRY COPPER PROJECT	E1 Camp	Measured	9,170,000	0.87	0.25	80,000	75,000
		Indicated	24,700,000	0.71	0.21	177,000	165,000
		Inferred	14,200,000	0.64	0.2	91,000	90,000
		<i>Sub - total</i>	<i>48,100,000</i>	<i>0.72</i>	<i>0.21</i>	<i>348,000</i>	<i>330,000</i>
	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
		<i>Sub - total</i>	<i>4,000,000</i>	<i>1.32</i>	<i>0.42</i>	<i>53,000</i>	<i>54,000</i>
	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
		<i>Sub - total</i>	<i>2,100,000</i>	<i>1.54</i>	<i>0.13</i>	<i>33,000</i>	<i>9,000</i>
	Mt Colin *	Indicated	620,000	3.14		19,500	
		Inferred	870,000	2.00		17,500	
		<i>Sub - total</i>	<i>1,490,000</i>	<i>2.47</i>		<i>37,000</i>	
	SUB - TOTAL	Measured	9.17 Mt	0.87	0.25	80,000	75,000
		Indicated	28.72 Mt	0.86	0.22	246,000	199,000
		Inferred	17.87 Mt	0.82	0.21	146,000	119,000
<i>Total</i>		<i>55.7 Mt</i>	<i>0.85</i>	<i>0.22</i>	<i>472,000</i>	<i>394,000</i>	
OTHER	SUB - TOTAL	<i>ALL</i>	5.4 Mt	0.88	0.62	47,400	107,000
TOTAL			61.0 Mt	0.85	0.25	519,400	500,000

COPPER RESOURCE GROWTH



>150% increase in Resource Tonnage over last 4 years

Contained Cu up by 115%.

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

Contained Au up by 150%

“Critical Mass” of >55Mt now within the Cloncurry Copper Project (CCP)

38Mt of Measured & Indicated Resources within the CCP provides the basis for a 10-year mine life

Expect significant further upside from ongoing exploration & resource development activities



CCP DEVELOPMENT SCENARIOS



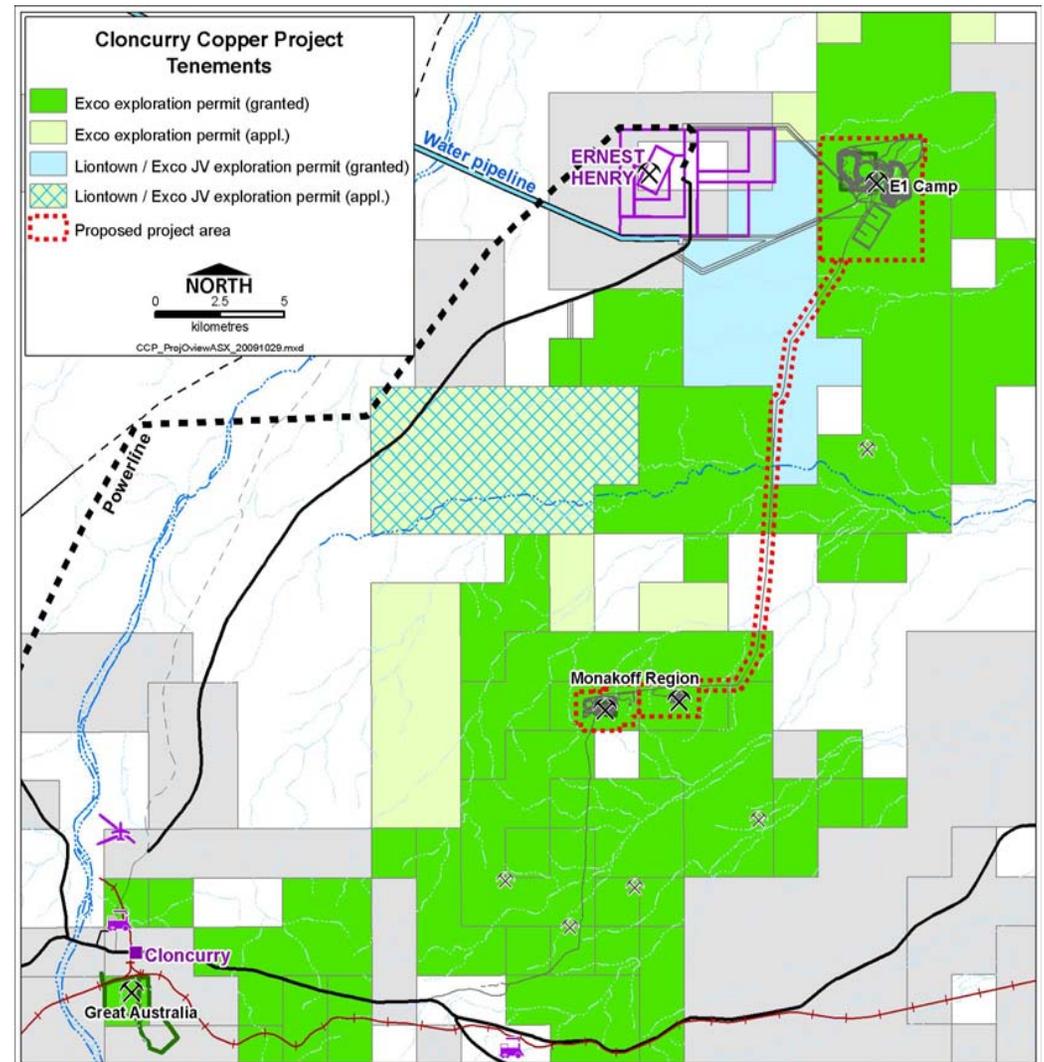
1	STANDALONE CONCENTRATOR DEVELOPMENT	<ul style="list-style-type: none">• Critical mass of Measured & Indicated resource for ~10 year mine life• Project economics are robust at current and long-term Cu prices• Targeting production by early 2012 (subject to approvals & funding)• Discussions underway with potential JV partners (e.g. Sin-Tang)• Significant interest in funding, construction and off-take
2	XSTRATA / EHM ORE SUPPLY	<ul style="list-style-type: none">• Closest known sulphide resources to Ernest Henry Mine (EHM)• EHM deal potentially offers lower cost base & earlier production• Xstrata's commitment to underground project is a major positive• Recent announcements suggest availability of spare capacity• Exco is flexible on approach to commercial structure

Exco is proactively evaluating each of these scenarios and is committed to achieving the best long-term value proposition for the Company & its shareholders

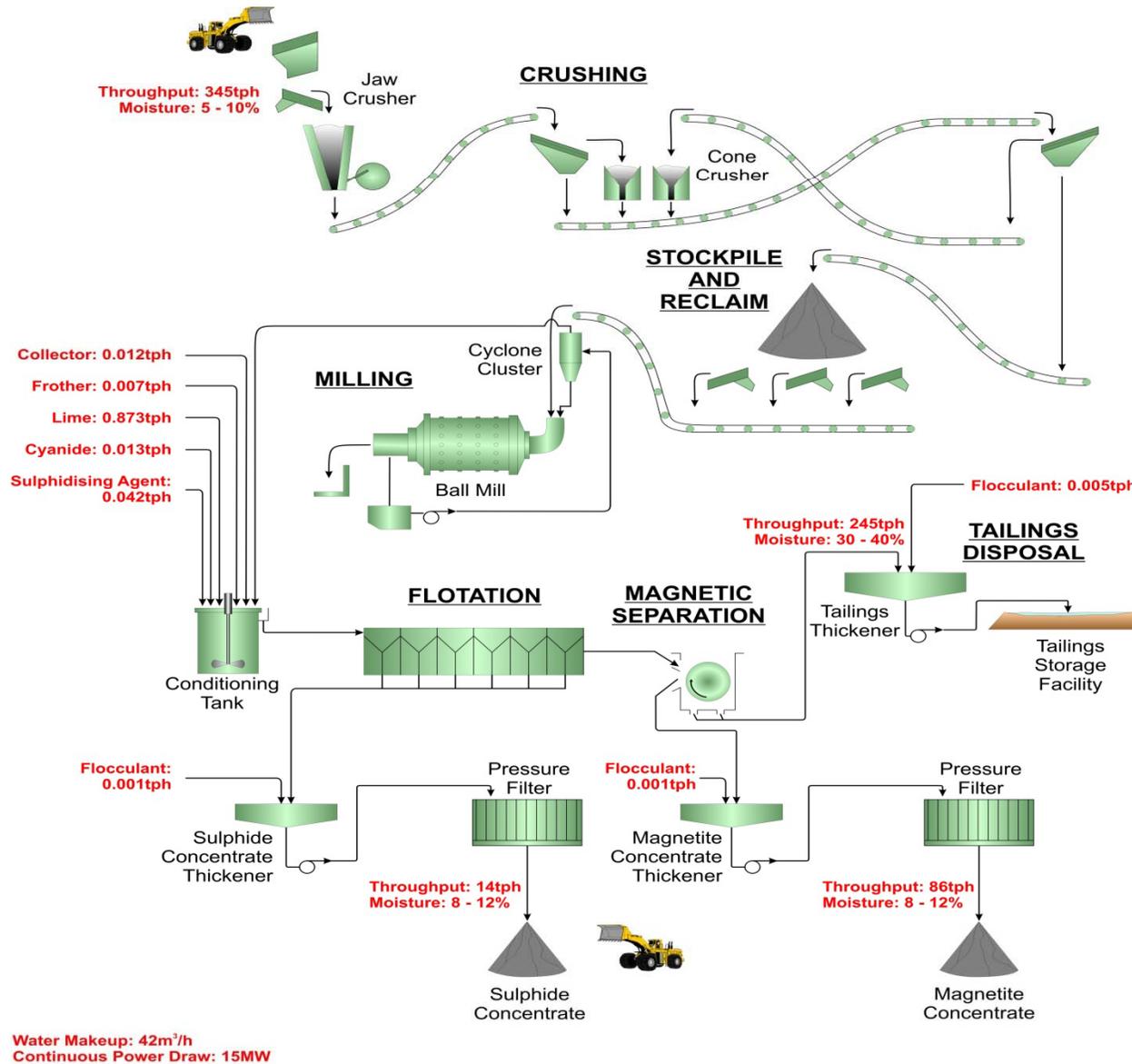


CLONCURRY COPPER PROJECT (CCP)

- Established resource base >55Mt
- 38Mt of Measured & Indicated resources
- 10-year mine life; 25,000t of Cu/annum
- Open-pit mining; average strip ratio ~5
- Straightforward process & metallurgy
- By-product potential: Fe, Co & U
- Significant infrastructure in place
- Native title agreements in place
- EIS submitted ahead of approvals
- "Project of Regional Significance"
- Full DFS underway
- Progressing funding options & partners



CCP - FLOWSHEET



*NOTE: All numbers reflect life of mine averages

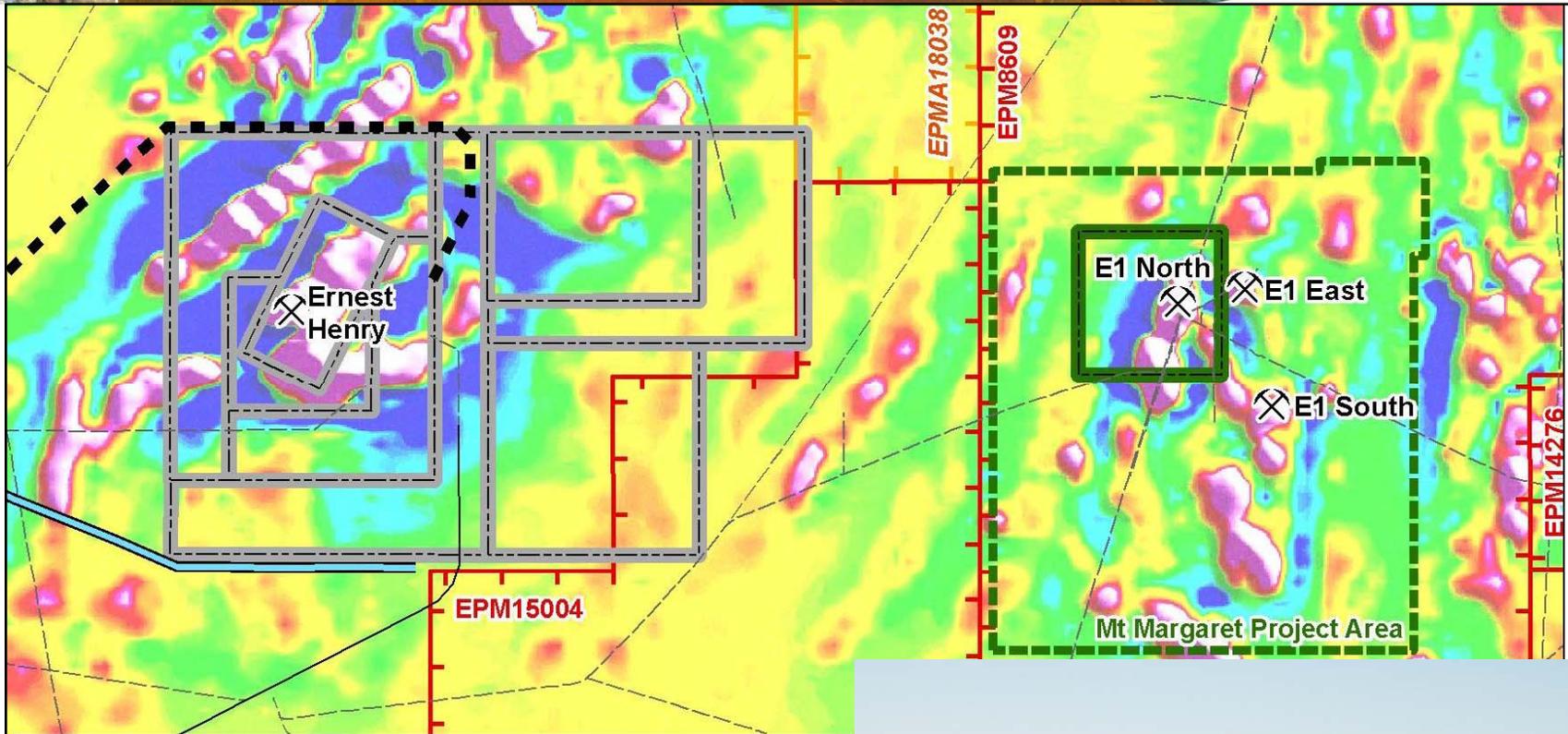
CCP INDICATIVE FINANCIAL MODEL

Throughput	3Mtpa
Initial Project Life	~10 years
Recovery	Cu = 90-92%; Au = 70%
Annual Production	Cu = 25,000t; Au = 17,000oz
Estimated Capital Cost ($\pm 25\%$)	~A\$200M*
Operating Cost (including TC/RC & royalty)	US\$1.75/lb*
Gold credit	(US\$0.25/lb)
Total Cash Cost	US\$1.50/lb
Average Cu Price (US\$/lb) assumed	US\$3.00
Average Au Price (US\$/oz) assumed	US\$1,000
A\$ Exchange	US\$0.85
Base Case NPV @ 8.5% (Cu & Au only)	A\$256M
IRR (Cu & Au only)	36%
Potential By-product NPV (Co & Magnetite)	A\$50-80M
Payback period	2-3 years
Spot NPV @ 8.5% (Cu & Au only) – 25/10/10	A\$375M

* excludes Mining Fleet; operating cost assumes contract mining

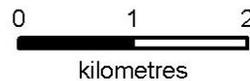


XSTRATA ORE SUPPLY OPTION



E1 Regional Map

- | | |
|----------------------------|---------------------------------|
| Water pipeline | Exco mining lease |
| Powerline | Proposed project area |
| Deposit | Exco exploration permit |
| Ernest Henry mining leases | Exco exploration permit (appl.) |



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Base map: Magnetics image (RtP 1VD)





WHY WOULD XSTRATA DEAL WITH EXCO?

❖ **EHM UNDERGROUND PROJECT WILL EXTEND MINE LIFE BUT AT REDUCED CAPACITY**

The Ernest Henry Mill is capable of processing up to 11Mtpa; however the underground mine will only produce “6 million tonnes per annum of ore at full capacity” – **Source:** Xstrata press release 3 December 2009

❖ **EHM COPPER PRODUCTION WILL ALSO BE REDUCED** : Historically Ernest Henry has

produced 100-110,000 tonnes of copper per annum. The underground project will “enable EHM to achieve annual production levels of approximately 50,000 tonnes of copper ..in concentrates from 2012 when processing from open pit mining operations ceases” – **Sources:** Xstrata plc Production Reports 2008 & 2009 and press release 3 December 2009

❖ **RECENT PRODUCTION HAS BEEN BELOW CAPACITY** : The first half of 2009 saw a

“significant production decline at Ernest Henry” and full year 2009 copper in concentrate production was only 35,562t (approximately 35% of typical capacity – 110,890 in the previous full year) – **Source:** Xstrata plc Production Reports 2009

❖ **SMELTER CAPACITY AT MT ISA HAS BEEN INCREASED** : “The copper smelter

expansion...was completed in the fourth quarter of 2008, raising ...production capacity to the targeted 300,000 tonnes per annum” – **Source:** Xstrata plc Annual Report 2008



CCP INDICATIVE TIMELINES

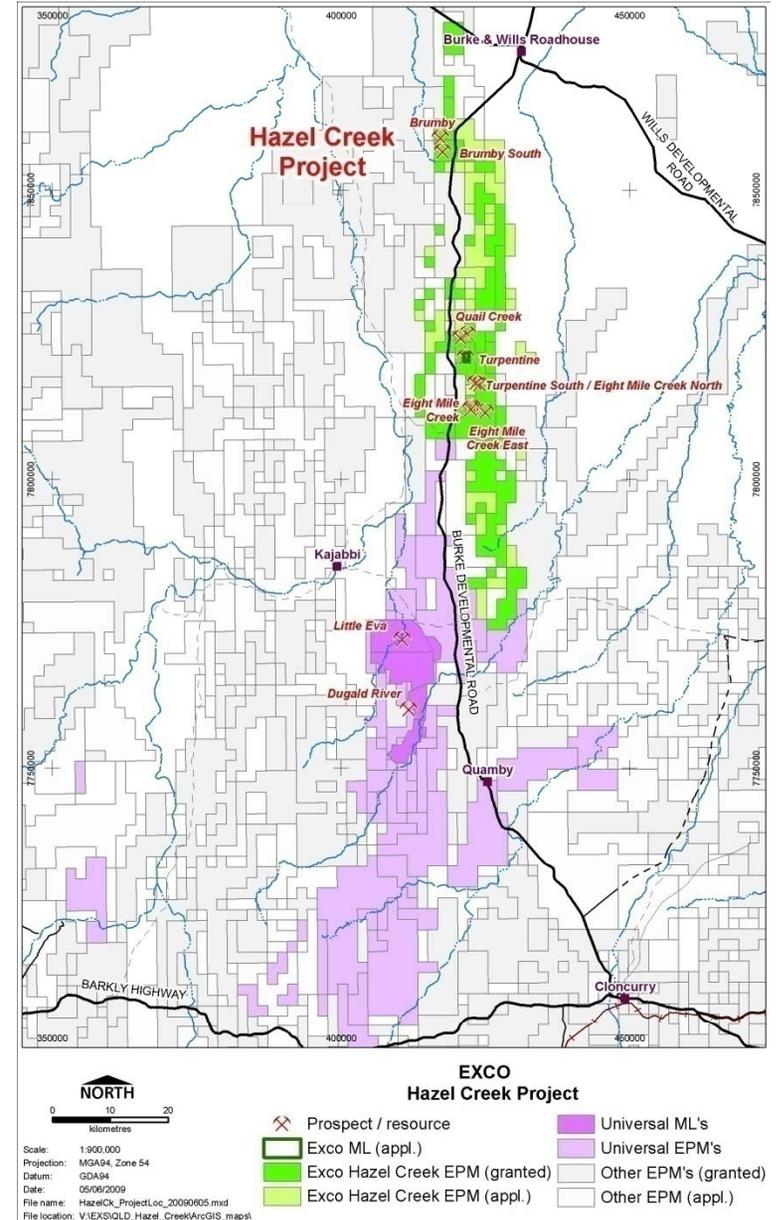


	2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Definitive Feasibility Study	█	█	█	█	█							
EIS Approval Process	█	█	█	█	█							
Plan of Operations				█	█							
Project Finance & Evaluation			█	█	█							
Construction – Standalone (1 & 2)						█	█	█	█	█		
Commence Mining – EHM option (3)						█	█	█	█	█	█	█
Project Commissioning									█	█		
Copper Production						█	█	█	█	█	█	█

HAZEL CREEK EXPLORATION



- Greenfields exploration project with >500km² of highly prospective tenements.
- One of few remaining underexplored belts. Majority of targets remain untested.
- Geophysics has identified target potential with numerous ore grade intersections to date, e.g.,
 - **Turpentine** :16m @ 2.94% Cu & 9m @ 8.53% Cu
 - **Turpentine South** : 12m @ 0.79% Cu
 - **Eight Mile Creek** : 30m @ 0.9% Cu
 - **Eight Mile Creek North** : 44m @ 0.9% Cu
 - **Brumby** : 20m @ 0.78% Cu
- Existing resource at Turpentine; 1.8Mt @ 1.03% Cu & 0.2g/t Au
- Programs underway at Turpentine, Eight Mile Creek East & Turpentine South. Mineralisation visually confirmed in early holes. Results expected shortly.
- Potential synergy with adjacent projects





WHAT TO EXPECT IN 2010/11

❖ WHITE DAM

- Ongoing gold production & significant cashflow
- Exploration & resource development success leading to an extended mine life

❖ CLONCURRY

- Exploration & resource development success
- Completion of the Definitive Feasibility Study
- Commitment to a preferred development scenario

❖ HAZEL CREEK

- Exploration success & identification of resource potential



EXS – INVESTMENT DRIVERS



- ❖ **MANAGEMENT**: A Board & Management Team with the track record and experience to deliver value from Exco's project portfolio
- ❖ **ASSET QUALITY**: Strategic ground positions in highly prospective belts, a resource base which continues to grow, and production!
- ❖ **A PIPELINE OF PROJECTS**: Near-term opportunity to produce significant cash flow as a platform to grow the business:
 1. *Production at White Dam Gold Project in 75:25 JV with Polymetals*
 2. *Stand-alone, JV and ore-supply options at the Cloncurry Copper Project*
 3. *Exploration potential at Cloncurry & Hazel Creek*
 4. *Joint Venture optionality with 'major' partners including Ivanhoe*
- ❖ **COMMITMENT**: Exco is committed to expediting the path to cash flow, and to creating maximum value for shareholders



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THANK YOU

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