

**5 April 2011**

**Mr Sebastian Bednarczyk  
Issuers Adviser (Perth)  
ASX Markets Supervision Pty Ltd  
Level 8 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000**



Dear Mr Bednarczyk,

**RE: PRESS SPECULATION CONCERNING EXCO**

The Company (ASX:EXS) notes speculation in the press this morning regarding an '*approach from an international bidder*' in respect of the Company.

The Company wishes to clarify that it is not in discussions with any international entity with a view to that entity making a bid for the Company.

The Company also notes that the speculation linked the 'approach' to interest in the Company's Cloncurry Copper Project (CCP).

As disclosed previously, the Company continues to pursue a number of options in relation to the development of the CCP. Whilst the Company continues to engage in discussions with a number of interested parties about those options, these discussions are indicative and/or incomplete and any conjecture about any such discussions or a resulting transaction is premature. At this stage, no binding arrangements have been entered into in relation to any proposed transaction. Accordingly, the Company can give no assurance that any transaction will eventuate from these discussions.

The Company will continue to keep shareholders and the market informed.

Yours sincerely  
Exco Resources Limited

A handwritten signature in blue ink, appearing to read "Eamon Byrne". The signature is fluid and stylized, with a large initial 'E' and 'B'.

**Eamon Byrne  
Company Secretary**