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Market Release (*via electronic lodgement*)

## **PLACEMENT OF \$10.1M TO ADVANCE QUEENSLAND COPPER PROJECTS**

Exco Resources Ltd (**ASX Code: EXS**) is pleased to announce that it has executed a placement agreement to raise A\$10.1m (before expenses) through the issue of approximately 41.3 million shares at 24.5 cents each.

The placement has been managed by Fox-Davies Capital Ltd with shares issued to two institutional investors. Exco's largest shareholder Ivanhoe Australia Pty Ltd (ASX:IVA) has also participated in the placement, and will maintain their 20.18% shareholding.

The Company will issue all of the placement shares utilising its 15% capacity under Listing Rule 7.1.

The placement funds will be used to proactively advance the Company's portfolio of copper projects in north-west Queensland through:

- the drilling of priority targets in the E1 Camp, Monakoff Region and Pumpkin Gully Syncline with the aim of adding further value to the Cloncurry Copper Project,
- the commencement of new programmes at Hazel Creek, designed to follow-up on previous ore-grade intersections at various prospects including Eight Mile Creek and Turpentine South, and,
- Fast-tracking the completion of the remaining technical aspects of the feasibility work for the Cloncurry Copper Project.

Prioritisation and pre-planning has already been completed at key drill targets and work is scheduled to commence immediately. The Company looks forwards to providing details of results as soon as they come to hand.

As previously announced, Exco is already adequately funded to achieve its development objectives at the White Dam Gold Project and the project remains on track for first production in the first quarter of 2010.

On behalf of the Board of  
Exco Resources Ltd

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## **Information on Exco Resources**

Exco is an Australian focused ASX-listed mining company (ASX: EXS) with a dual focus on developing both the White Dam Gold Project in South Australia, and the Cloncurry Copper Project (CCP) in north-west Queensland. In addition, the Company has renewed its exploration efforts at the highly prospective Hazel Creek Project, also in north-west Queensland.

At White Dam Exco has entered a 75:25 joint venture with Polymetals Group Pty Ltd, who will manage the implementation and operation of the project. The project, which contains a resource inventory of 325,000 ounces of gold, has now been granted final approvals and debt financing has been secured through Barclays Capital. The JV partners have commenced construction, with first gold production scheduled by early 2010. The relatively short-life project is expected to produce a total of 120,000 oz of gold at a rate of 50,000oz/annum. Near mine exploration and resource potential is expected to ultimately increase overall production and with estimated operating costs of only ~A\$600/oz, the project has the potential to deliver significant cash flows.

In north-west Queensland Exco holds a large (>4,100km<sup>2</sup>), strategically located and highly prospective land package. The CCP comprises numerous tenements and mining leases, which host the flagship E1 Camp, Monakoff and Great Australia deposits. Resources delineated for the project to date total 51Mt, containing 425,000 tonnes of copper and 373,000 ounces of gold, with further exploration upside and indicated resource development highlighting the potential for economic extraction of a significant portion of the resources.

Exco completed a Pre-Feasibility Study (PFS) on the CCP in June 2008, which demonstrated the technical and commercial credentials of a 2Mtpa project. Encouraged by the positive PFS results, and with ongoing drilling delivering further resource upgrades, the Company commenced a Definitive Feasibility Study (DFS) on a slightly larger operation treating 2.5 to 3Mtpa through a concentrator facility located at the E1 Camp. At this expanded throughput the project will produce ≥25,000 tonnes of copper in concentrate per annum (25% more than envisaged by the PFS) with substantial by-product credits from gold, cobalt, magnetite and potentially uranium. The Company has now submitted its Environmental Impact Statement (EIS) in pursuit of the relevant approvals for the CCP.

Drilling is about to recommence at the Hazel Creek Project, where numerous geophysical targets remain untested. An initial resource at Turpentine (1.8Mt @ 1.0% Cu), and multiple ore grade intersections at other prospects, demonstrates the significant potential of this greenfields project.

Exco also has a number of exploration joint ventures in Queensland with major companies including Xstrata, BHP Billiton Limited and Ivanhoe Mines. These JVs are managed by Exco's partners, creating additional development options, and allowing the Company to maintain its primary focus on the CCP.

The Board, backed by the Company's major shareholders including Ivanhoe Mines and the Lion Selection Group, and the management of Exco are committed to unlocking value from this highly prospective portfolio of projects, and looks forward to keeping shareholders informed of developments.

Further information is available at [www.excoresources.com.au](http://www.excoresources.com.au)