

17 July 2009

Market Release (*via electronic lodgement*)

EXCO AND POLYMETALS MANDATE LENDER FOR THE WHITE DAM GOLD PROJECT

- **Barclays Capital have been mandated to act as arranger in providing finance of up to \$16 million for the White Dam Joint Venture by way of a gold-linked prepayment facility.**
- **Together with Exco's recent \$7.2M capital raising, the financing will provide the remaining funding required for development of White Dam, including construction costs and working capital requirements.**
- **The finance is subject to final agreement on the terms of the facility, final internal Barclays approvals and the completion of the detailed documentation which is anticipated to be in place before the end of quarter 3 of 2009.**
- **The financing proposal from Barclays represents a significant vote of confidence in the White Dam Joint Venture.**

Exco Resources Ltd (**ASX Code: EXS**) (**Exco**) together with its joint venture partner Polymetals Group Pty Ltd (**Polymetals**) are pleased to announce that they have today mandated Barclays Capital (**Barclays**) to act as arranger of a debt financing facility of up to A\$16M for the construction and commissioning of the White Dam Gold Project Joint Venture in South Australia.

Together with Exco's recent \$7.2M capital raising, the financing will provide the remaining funding required for development of White Dam, including construction costs and working capital requirements and ensure Exco retains sufficient funds to continue exploration and business development activities.

Due diligence on the project has been completed. The financing is subject to agreement in relation to the terms of the facility, final internal Barclays approvals and the completion of detailed documentation which is expected to be finalised within two months.

The appointment of Barclays follows an extensive tender process in which competitive proposals were received from a number of banks. The key features of the facility are summarised as follows:

- Facility: Gold-linked prepay loan;
- Amount: Up to \$16 million; and
- Tenor: Two years.

Barclays Capital, the investment banking division of Barclays Bank PLC, is a leading provider of finance to the mining sector and has a wealth of experience in financing projects around the world. The Metals & Mining team at Barclays Capital is complemented by one of the strongest Commodities groups in the banking sector who will assist in coordinating the risk management of the White Dam project.

The White Dam Gold Project is located in South Australia, approximately 80kms west of Broken Hill (see **Figure 1**).

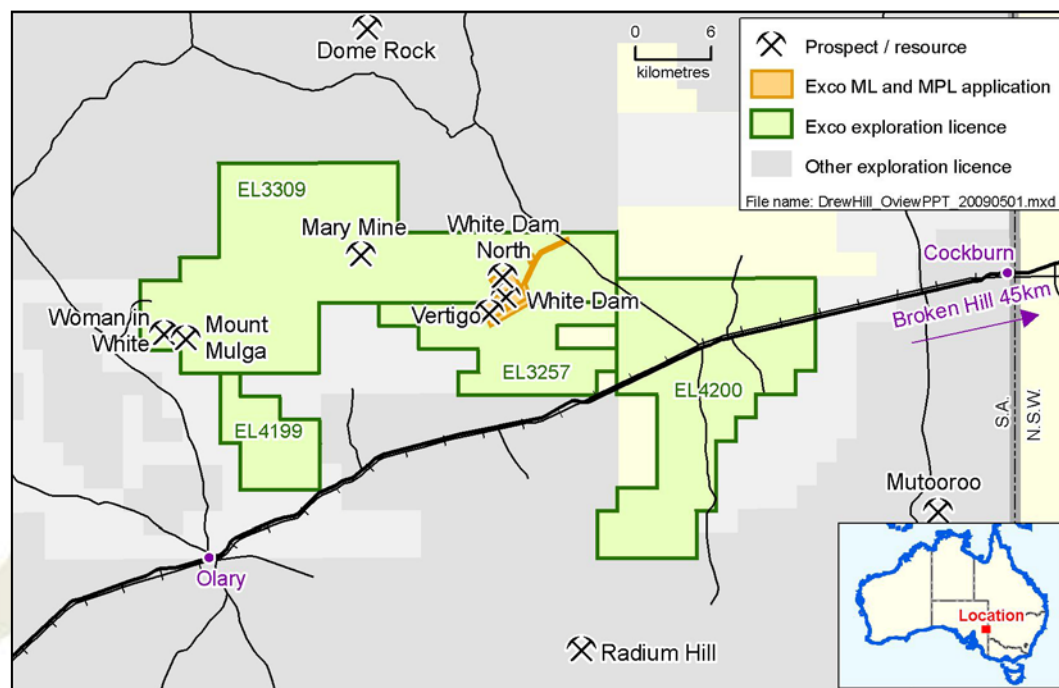


FIGURE 1: Location Map - White Dam Gold Project, South Australia

Approval of a Mining and Rehabilitation Programme (MARP) was received in April 2009 (see previous announcement on 7 April 2009).

The project is the subject of a joint venture agreement signed between Exco and Polymetals in June 2009 whereby Polymetals have acquired a 25% interest and will manage the implementation and operation of the project.

The Joint Venture entered into a bond with the Minister for Mineral Resources Development, South Australia in relation to the mining tenements in early July 2009.

Preliminary site works have begun in preparation for the commencement of construction as soon as the financing arrangements have been finalised.

The project remains on track to deliver first gold production early in 2010.

On behalf of the Board of
Exco Resources Ltd

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