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If you do not understand it, or any part of it, you should consult your professional advisors.



EXCO RESOURCES LIMITED

(ABN 99 080 339 671)

NOTICE OF ANNUAL GENERAL MEETING, EXPLANATORY MEMORANDUM AND PROXY FORM

Date of Meeting

18th November 2010

Time of Meeting

2:30 pm (AWST)

Place of Meeting

Westend Room One
Level 1, Rydges Hotel
815 Hay Street
PERTH WA 6000



EXCO RESOURCES LIMITED
ANNUAL GENERAL MEETING 2010

ABN 99 080 339 671
18 NOVEMBER 2010

NOTICE OF MEETING

Notice is given that the Annual General Meeting of the members of Exco Resources Limited ABN 99 080 339 671 ("Exco" or "the Company") will be held at the Westend Room One, Level 1, Rydges Hotel, 815 Hay Street Perth, WA on the 18th of November 2010 at 2:30 pm (Australian Western Standard Time) for the purpose of transacting the following business.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting. Certain abbreviations and other defined terms are used throughout this Notice of Annual General Meeting. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Explanatory Memorandum.

ORDINARY BUSINESS

REPORTS

To receive, consider and adopt the financial report of the Company for the year ended 30 June 2010, and the reports by the Directors and independent auditors.

Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2010 be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 - Re-election of Mr Barry Sullivan as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Mr. Barry Sullivan who retires by rotation in accordance with Rule 7.3(a) of the Company's Constitution, and, being eligible for re-election, be elected a Director of the Company."

SPECIAL BUSINESS

Resolution 3 – Ratification of prior issue of securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 16,428,295 Shares at an issue price of 30 cents per Share pursuant to the placement announced on 17 August 2010, to Aus-Ore Investments Pty Ltd on the terms and conditions as described in the Explanatory Memorandum accompanying this Notice of General Meeting."

Short Explanation: Listing Rule 7.1 allows the Company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without Shareholder approval. By obtaining ratification by Shareholders under Listing Rule 7.4 of the issue of the securities under this Resolution, the Company will refresh the Company's capacity under Listing Rule 7.1 to make future issues of equity securities up to the 15% threshold. Please refer to the Explanatory Memorandum for details.

Voting exclusion - The Company will disregard any votes cast on Resolution 3 by Aus-Ore Investments Pty Ltd and any associates of Aus-Ore Investments Pty Ltd. However, the Company need not disregard a vote cast on Resolution 3 if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act 2001.

By order of the Board



Eamon Byrne
 Company Secretary
 Dated: 18 October 2010

VOTING ENTITLEMENT

For the purpose of determining an entitlement to vote at the Annual General Meeting, a person will be recognised as a Shareholder if that person is registered as a holder of Exco Resources Limited Shares at 4:00pm (AWST) on Tuesday, 16th of November 2010.

PROXIES

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint no more than two proxies (who need not be Shareholders) to attend and vote on a poll in the Shareholder's place.
- (b) The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, then each of those proxies may exercise half of the votes of the Shareholder.
- (c) The form of proxy must be signed by a Shareholder or the Shareholder's attorney duly authorised in writing or if the Shareholder is a corporation under its corporate seal or in accordance with section 127 of the Corporations Act or by its duly authorised attorney or representative. If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return.
- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) Proxy forms must reach the Company no later than 48 hours prior to the meeting. For the convenience of Shareholders, a proxy form is attached.

ENQUIRIES

Shareholders are invited to contact the Mr. Eamon Byrne, Company Secretary, on (08) 9211 2000 if they have any queries in respect of the matters set out in these documents.

NOTES

The attached Explanatory Memorandum is intended to provide Shareholders of Exco Resources Limited with sufficient information to assess the merits of the Resolutions contained in the Notice of Annual General Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before determining whether or not to support the Resolutions.

EXPLANATORY MEMORANDUM

1. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2010 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2010 Annual Report, a copy of which is available on the Company's website at www.excoresources.com.au.

Whilst no resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

The Company's auditor will be present at the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's 2010 Annual Report. By way of summary, the Remuneration Report:

- a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2010.

The Directors recommend that Shareholders vote in favour of Resolution 1. Sections 249L(2) and 250R(2) of the Corporations Act require listed companies to put a resolution to their members to adopt the Remuneration Report. The vote on this Resolution is advisory only, and does not bind the Board or the Company. The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF MR. BARRY SULLIVAN AS A DIRECTOR

In accordance with the Constitution, at every Annual General Meeting, one third of the Directors for the time being (excluding the managing director) must retire from office and are eligible for re-election. In accordance with Listing Rule 14.4, an election of directors must be held each year and no director (except the managing director) may hold office for more than three years without seeking re-election.

The Directors to retire are to be those who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Pursuant to these arrangements, Mr. Sullivan retires and, being eligible, offers himself for re-election. A summary of Mr. Sullivan's qualifications and experience is provided below:

Barry Sullivan, BSc(Min), ARSM, FAusIMM, MAICD

Mr. Sullivan is an experienced mining engineer who has had a successful career in the mining industry, both in South Africa with Anglo American Ltd (1969-1974) and in Australia with Mount Isa Mines (MIM) from 1974 to 1995. He had six years as Executive General Manager at MIM, in which capacity Mr Sullivan was responsible for total operations including regional exploration, four underground mines and one open cut mine, power stations, dams and comprehensive support services. Chairman of the Board since 2005, Mr Sullivan is member of the Company's remuneration committee.

Other current directorships:

Non-executive director of Catalpa Resources Ltd
- since June 2008

Previous directorships:

Non-executive director of Lion Selection Ltd
- November 2008 to December 2009
Non-executive director of Allegiance Mining NL
- March 2004 to July 2008

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SECURITIES

The Company announced on 17 August 2010 that it had issued 16,428,295 Shares at an issue price of 30 cents per Share to Aus-Ore Investments Pty Ltd, pursuant to an agreement entered into between the Company, Sin-Tang Development Pte Ltd and Aus-Ore Investments Pty Ltd announced on 10 August 2010, to raise \$4.9 million before expenses. The proceeds raised from the issue will be used to continue development activities on the Company's portfolio of Cu-Au-U₃O₈ projects in north-west Queensland.

ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue in any 12 month period without shareholder approval (subject to certain exceptions).

Without shareholder approval, a company must not issue or agree to issue more securities than the total number of ordinary securities on issue 12 months before the date of the issue or agreement to issue plus the number of fully paid ordinary securities issued with the approval of shareholders (or issued under one of the express exceptions to Listing Rule 7.1) during the previous 12 months, multiplied by 15%, less the number of equity securities issued or agreed to be issued in the 12 months prior to the issue but not under an exception to Listing Rule 7.1 or with shareholder approval under Listing Rule 7.1.

ASX Listing Rule 7.4 allows an issue of securities which is made without shareholder approval under Listing Rule 7.1 to be treated as having been made with approval for the purposes of Listing Rule 7.1, if each of the following applies:

- a) the issue did not breach Listing Rule 7.1; and
- b) the shareholders subsequently approve the issue.

The effect of shareholders passing Resolution 3 will be to restore the Company's ability to issue ordinary securities within the 15% limit imposed by Listing Rule 7.1.

For the purposes of Listing Rule 7.5 and in order for Shareholders to ratify the placement in accordance with Listing Rule 7.4, the following information is provided to Shareholders:

- a) The number of securities issued was 16,428,295 Shares;
- b) The price at which the Shares were issued was 30 cents each;
- c) The Shares issued were fully paid ordinary Shares ranking pari passu in all respects with all other Shares in the Company on issue;
- d) The Shares were issued to Aus-Ore Investments Pty Ltd; and,
- e) The funds raised by the issue of these Shares will be used to continue development activities on the Company's portfolio of Cu-Au-U₃O₈ projects in north-west Queensland.

Voting exclusion - The Company will disregard any votes cast on Resolution 3 by Aus-Ore Investments Pty Ltd and any associates of Aus-Ore Investments Pty Ltd. However, the Company need not disregard a vote cast on Resolution 3 if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

The Board unanimously recommends that Shareholders vote to approve this resolution as ratification allows the Company to refresh its capacity to issue further securities up to 15% of the Company's current issued capital in a 12 month period.

GLOSSARY

"**A\$**" means Australian Dollars;

"**Annual General Meeting**" or "**Meeting**" means the annual general meeting of the Shareholders to be held on Thursday 18th November 2010 convened by the Notice and any adjournment that meeting.

"**ASX**" means the Australian Securities Exchange, ASX Limited, ABN 98 008 624 691;

"**ASX Listing Rules**" or "**Listing Rules**" means the official listing rules of the ASX;

"**Board**" means the board of directors of the Company;

"**Company**" or "**Exco**" means Exco Resources Limited - ABN 99 080 339 671;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means directors of the Company;

"**Explanatory Memorandum**" means the information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice;

"**Notice of Annual General Meeting**" or "**Notice**" means the notice of the annual general meeting which accompanies this Explanatory Memorandum;

"**Option**" means an option to subscribe for a Share;

"**Proxy Form**" means the proxy form accompanying the Notice;

"**Related Party**" means a party within the meaning of section 228 of the Corporations Act;

"**Resolution**" means a resolution proposed pursuant to the Notice;

"**Shareholder**" means a holder of Shares;

"**Shares**" means fully paid ordinary shares issued in the capital of the Company; and

"**AWST**" means Australian Western Standard Time (GMT +8hrs).

PROXY FORM

Shareholder's Name and Address

Please write your name(s) above

Please write your address above

Appointment of Proxy

I/We being a member/members of Exco Resources Limited and entitled to attend and vote, hereby appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the Annual General Meeting of the Company to be held at the Westend Room One, Level 1, Rydges Hotel, 815 Hay Street, Perth, WA on 18th of November 2010 at 2.30pm AWST (and at any adjournment thereof).



**the Chairman
of the meeting**

or

(mark with an "X")

Name and address of person you are appointing as your first proxy and/or

Appointing a Second Proxy

Name and address of person you are appointing as your second proxy

Proxy 1 is appointed to represent _____% of my voting right, or if 2 proxies are appointed,

Proxy 1 represents _____% and **Proxy 2** represents _____% of my total votes.

My total voting right is _____ shares.

Note: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

Please mark with an "X" (or percentage) to indicate your directions

Resolutions

- 1 Adoption of Remuneration Report
- 2 Re-election of Mr Barry Sullivan as a Director
- 3 Ratification of prior issue of securities

For	Against	Abstain*
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

* If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

The Chair intends to vote any such undirected proxies in favour of all resolutions.

Contact e-mail address

Contact telephone number

Signature(s)

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Secretary

Director

Director/Company Secretary

Proxies may be lodged either by facsimile on (08) 9211 2001, by mail to PO Box 1726, West Perth, 6872, Western Australia or delivered in person to the registered office of the Company at Level 2, 8 Colin Street, West Perth, Western Australia. To be valid, a proxy form must be received by the Company no later than 2:30pm on Tuesday 16th November 2010. For assistance in completing this form, please refer to the rear of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

SHAREHOLDERS NAME

This is the name and address of the Shareholder as it appears on the Company's share register. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

For the purposes of this Annual General Meeting, shares will be taken to be held by those persons who are the registered holders thereof **at 4.00pm AWST on 16th November 2010**.

APPOINTMENT OF PROXY

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two other persons (whether Shareholders or not) as proxy or proxies to attend in the Shareholder's place at the Annual General Meeting. The Proxy has the same right as the Shareholder to speak and vote at the Annual General Meeting.

If you leave this section blank or your named Proxy does not attend the meeting, the Chairman of the meeting will be your proxy to vote your shares even if you attend the Annual General Meeting (unless you revoke your proxy before the meeting).

APPOINTING A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If a Shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.

DIRECTING YOUR PROXY HOW TO VOTE

You may direct your proxy how to vote by placing an "X" in the appropriate box opposite the Resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. Alternatively, you may split your vote on any Resolution/s by inserting the percentage of shares you wish to vote in the appropriate box/es.

Please ensure you clearly mark the box in black or blue ink by placing a mark or the percentage of shares you are voting. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses.

CHAIRMAN'S VOTING INTENTIONS

The Chairman intends to vote in favour of all the Resolutions set out in the Notice.

SIGNATURE INSTRUCTIONS

Each Shareholder must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the Shareholder must sign.
Joint Holding	If your Shares are held in joint names, all Shareholders must sign in the boxes.
Power of Attorney	To sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies	<p>Where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.</p> <p>If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.</p> <p>Please indicate the office held by signing in the appropriate place.</p>

CONTACT E-MAIL ADDRESS/TELEPHONE NUMBER

These will help us if there are any problems with your proxy form.

DELIVERY OF PROXY

To be effective, forms to appoint proxies (and any Power of Attorney under which they are signed) must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, that is **by 2:30pm (AWST) on the 16th of November 2010**, by post, facsimile or in person to the respective addresses stipulated on the proxy form.