



Market Release

20 April 2011

Ivanhoe clarifies its position on Exco Resources Limited's market release concerning the proposed sale of the Cloncurry Copper Project to Xstrata Copper

MELBOURNE, AUSTRALIA – Ivanhoe Australia Limited (Ivanhoe) (IVA:ASX, IVA:TSX) notes the announcement today by Exco Resources Limited (Exco) in relation to the proposed sale of the Cloncurry Copper Project to Xstrata Copper and the intended capital distribution to shareholders of Exco.

Ivanhoe notes, as Exco's largest shareholder, that the transaction proposed by Exco requires shareholder approval.

Although the Managing Director & CEO of Ivanhoe is a non-executive director of Exco, Mr Peter Reeve excused himself from Exco Board deliberations on this transaction¹.

Accordingly, when Exco's announcement refers to the views of the "Exco Board" (in particular, the statement on page 1 of Exco's announcement that "The Exco Board believes the Proposal is in the best interests of all shareholders and recommends that shareholders approve the Proposal.") these statements do not necessarily reflect the views and conclusions of Mr Reeve (Ivanhoe's appointed nominee to the Exco Board) nor Ivanhoe. No assumptions should be made as to how Ivanhoe will vote its 22.8% shareholding in relation to Exco's proposed transaction.

¹ Ivanhoe had previously proposed to both Exco and Xstrata Copper management an alternative transaction, under which Ivanhoe would have acquired a direct interest in parts of Exco's exploration portfolio. Notwithstanding that the value of the interest contemplated would not have been material in the context of Ivanhoe's market capitalisation, Mr Reeve thought it appropriate to excuse himself from the deliberations.

Ivanhoe is unlikely to decide how it will vote in relation to the proposed sale until it knows the size and timing of the proposed capital distribution. Ivanhoe has communicated its view to Exco management that all after-tax proceeds from the sale of the Cloncurry Copper Project to Xstrata Copper should be returned to Exco shareholders and paid as soon as possible.

For more information regarding Ivanhoe Australia, please visit the company website: www.ivanhoeaustralia.com.

Ivanhoe Mines (IVN: TSX, NYSE, NASDAQ) is Ivanhoe Australia's largest shareholder and currently owns, directly and indirectly, approximately 62% of Ivanhoe Australia's issued and outstanding shares.

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Forward-looking statements

Certain statements made herein, including statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information and statements are typically identified by words such as “anticipate,” “could,” “should,” “expect,” “seek,” “may,” “intend,” “likely,” “plan,” “estimate,” “will,” “believe” and similar expressions suggesting future outcomes or statements regarding an outlook. These include, but are not limited to, how the Company may or will vote its 22.8% shareholding in relation to the proposed transaction by Exco Resources Limited.

All such forward-looking information and statements are based on certain assumptions and analyses made by Ivanhoe Australia's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. The reader is cautioned not to place undue reliance on forward-looking information or statements.