



WHSP announces a cash Offer to acquire Exco Resources Limited for \$0.19 per share

- WHSP announces an all cash offer to acquire the shares in Exco that it does not already hold for \$0.19 per share
- WHSP has a relevant interest in 19.9% of Exco
- The Offer is to be effected by way of an off-market takeover
- The Offer is subject to only one condition, being no Prescribed Occurrences occurring in relation to Exco

Washington H. Soul Pattinson & Company Limited (ASX: SOL) (**WHSP**) announces a proposal to acquire all of the ordinary shares it does not already hold in Exco Resources Limited (ASX: EXS) (**Exco**) for \$0.19 cash per share by way of an off-market takeover (**Offer**). The Offer values Exco at approximately \$69.8 million (fully diluted, including performance rights).

Attractive Premium

WHSP believes the Offer represents attractive value for Exco shareholders and is at an attractive premium to the recent and historical trading price of Exco shares. The Offer price of \$0.19 cash per share represents:

- a premium of 18% to the one month volume weighted average price (**VWAP**) of \$0.161 per Exco share up to and including 22 August 2012;
- a premium of 19% to the two month VWAP of \$0.159 per Exco share up to and including 22 August 2012; and
- a premium of 18% to the three month VWAP of \$0.160 per Exco share up to and including 22 August 2012.

WHSP's Chairman Rob Millner said *"this is a straight forward cash offer. The offer allows Exco shareholders to exit their investment at an attractive premium to recent and historical trading prices."*

Only one condition attached to WHSP's Offer

The Offer is subject only to one customary condition, being no Prescribed Occurrences occurring in relation to Exco. Full details of the Prescribed Occurrences are set out in an appendix to this announcement.

Support of Major Shareholder

WHSP today acquired 24,265,770 shares in Exco from Ivanhoe Australia Limited (**Ivanhoe Australia**).

After that sale, Ivanhoe Australia holds 55,022,862 shares in Exco. Ivanhoe has advised WHSP that it intends to accept the Offer in respect of these shares in the absence of an alternative proposal for Exco that is superior for Ivanhoe Australia.

Ivanhoe Australia has authorised WHSP to make this statement of its intention in relation to the Offer in this announcement.

Further information about the Offer

The Offer will be fully funded from WHSP's existing cash reserves.

Full details about the Offer and further information about WHSP will be set out in WHSP's Bidder's Statement which WHSP expects to lodge with ASIC and ASX and serve on Exco shortly.

The Bidder's Statement will include a timetable for the Offer.

Advisers

Pitt Capital Partners is acting as financial adviser to WHSP and Norton Rose Australia is acting as legal adviser.

For further information contact:

Robert Millner, Chairman
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Appendix – Conditions of Offer

No Prescribed Occurrences

During the period from the Announcement Date to the date that is three business days after the close of the Offer Period (each inclusive), none of the occurrences listed in section 652C(1) or (2) of the Corporations Act happen (other than the issue of Exco Shares pursuant to the exercise of Exco Performance Rights). That is:

- Exco converts all or any of its shares into a larger or smaller number of shares;
- Exco or a subsidiary of Exco resolves to reduce its share capital in any way;
- Exco or a subsidiary of Exco enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- Exco or a subsidiary of Exco issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- Exco or a subsidiary of Exco issues, or agrees to issue, convertible notes;
- Exco or a subsidiary of Exco disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- Exco or a subsidiary of Exco charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- Exco or a subsidiary of Exco resolves to be wound up;
- the appointment of a liquidator or provisional liquidator of Exco or a subsidiary of Exco;
- a court makes an order for the winding up of Exco or a subsidiary of Exco;
- an administrator of Exco, or a subsidiary of Exco, is appointed under section 436A, 436B or 436C of the Corporations Act;
- Exco or a subsidiary of Exco executes a deed of company arrangement; or
- a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Exco or a subsidiary of Exco.