



WASHINGTON H SOUL PATTINSON  
AND COMPANY LIMITED

ABN: 49 000 002 728

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GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

27 August 2012

**ASX RELEASE**

**BIDDER'S STATEMENT IN RELATION TO THE TAKEOVER OFFER BY  
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED**

In accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth) (**Corporations Act**), attached is a copy of Washington H Soul Pattinson and Company Limited's ACN 000 002 728 (**WHSP**) bidder's statement in relation to its off-market takeover bid under Chapter 6 of the Corporations Act for all of the shares in Exco Resources Limited ACN 080 339 671 (**Exco**), that it does not already hold.

The Bidder's Statement was lodged with the Australian Securities and Investments Commission and will be sent to Exco today.

**ON MARKET ACQUISITIONS**

WHSP announces, in accordance with ASIC/ASX Market Integrity Rule 6.2.1 that it may purchase Exco Shares on-market during the bid period for prices at or below \$0.19 per share.

**For further information contact:**

Robert Millner, Chairman  
+61 2 9232 7166



# Bidder's Statement

in relation to an off-market takeover bid by  
**Washington H. Soul Pattinson and Company Limited**

ABN 49 000 002 728

to purchase all of your ordinary shares in

**Exco Resources Limited**

ABN 99 080 339 671

for \$0.19 per share.



# ACCEPT

**the \$0.19 cash Offer by WHSP  
for each of your shares in Exco**

**This is an important document that requires your immediate attention.**  
If you are in any doubt as to how to deal with this document, you should consult  
your financial or other professional adviser as soon as possible.

## Information Line:

If you have any queries in relation to the Offer, please call the  
WHSP Offer Information Line on: **1800 600 409** (for callers within Australia)  
or **+61 2 8256 3378** (for callers outside Australia)

*Financial Adviser*



**PITT CAPITAL PARTNERS**

*Legal Adviser*

**NORTON ROSE**

# Important Notices

This Bidder's Statement is dated 27 August 2012 and is given by Washington H. Soul Pattinson and Company Limited ABN 49 000 002 728 (**WHSP**) to Exco Resources Limited ABN 99 080 339 671 (**Exco**) under Part 6.5 Division 2 of the Corporations Act, in relation to the off-market takeover bid for all of the ordinary shares in Exco. It was lodged with ASIC on the same date. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to obtain professional financial and taxation advice before deciding whether or not to accept the Offer.

## Important Dates

Date of announcement of Offer	Thursday 23 August 2012
Date of Bidder's Statement and lodgement with ASIC	Monday 27 August 2012
Opening date of Offer	[•]
Closing date of Offer (unless extended or withdrawn)	7.00 pm (Sydney time) on [•]

## Important Contacts

### WHSP Offer Information Line

Toll Free Offer Information Line  
**1800 600 409** (for callers within Australia)  
**+61 2 8256 3378** (for callers outside Australia)

## How to accept the Offer

### *If your Exco Shares are in an Issuer Sponsored Holding:*

Return a completed and signed Acceptance Form using the self addressed envelope included or otherwise to the address indicated in the form so that it is received before the end of the Offer Period.

### *If your Exco Shares are in a CHESS Holding:*

Either:

- return a completed and signed Acceptance Form using the self addressed envelope included or otherwise to the address indicated in the form, so that it is received in sufficient time to be processed before the end of the Offer Period; or
- instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf before the end of the Offer Period.

### *If you are a Participant:*

Initiate acceptance of the Offer in accordance with requirements of the ASX Settlement Operating Rules before the end of the Offer Period.



# ACCEPT

## Disclaimer as to forward looking statements

This Bidder's Statement may include certain statements that are in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statement. The forward looking statements in this Bidder's Statement reflect the views held only as at the date of this Bidder's Statement. While WHSP believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. You are cautioned not to place undue reliance on any forward looking statement.

## Information on Exco

The information on Exco contained in this Bidder's Statement is based on publicly available information. None of the information in the Bidder's Statement concerning Exco's business has been verified by WHSP for the purpose of this Bidder's Statement. Accordingly, subject to the Corporations Act, WHSP does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information. The information on Exco in this Bidder's Statement should not be deemed to be comprehensive. Further information on Exco's business will likely be included in Exco's Target's Statement which Exco must provide to its shareholders in response to this Bidder's Statement.

## Reserves and Resources

Unless otherwise indicated, all reserves and resources information in respect of Exco has been extracted from information included in public documents filed by Exco. This information has not been verified by WHSP.

## Privacy

WHSP has collected your information from the register of Exco shareholders for the purpose of making this Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to WHSP and its related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC.

## Foreign Shareholders

The Bidder's Statement is intended to be distributed in Australia. The distribution to countries outside of Australia may be restricted by law or regulation. This Bidder's Statement and the Offer do not in any way constitute an offer in any place in which, or any person to whom, it would not be lawful to make such an offer. If you are a foreign shareholder and in possession of this Bidder's Statement, please ensure that you are aware of and observe any restrictions imposed in your jurisdiction.

## Defined Terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in Section 10 of this Bidder's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Corporations Act have the same meaning and interpretation as in the Corporations Act.



# Corporate Directory

**WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED** ABN 49 000 002 728

## Registered Office

Level 1, 160 Pitt Street  
Sydney NSW 2000  
Telephone: +61 2 9232 7166  
Facsimile: +61 2 92351747  
[www.whsp.com.au](http://www.whsp.com.au)

## Share Registry

**Advanced Share Registry**  
PO Box 1156  
Nedlands  
Western Australia 6909  
Telephone: +61 8 9389 8033

## WHSP Directors

**Robert D Millner**  
**Michael J Millner**  
**Peter R Robinson**  
**David J Fairfull**  
**Thomas C D Millner**  
**Robert G Westphal**  
**David E Wills**

## Financial Advisers

**Pitt Capital Partners**

## Legal Advisers

**Norton Rose Australia**

## WHSP Secretary

**Ian D Bloodworth**

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# Letter from the Chairman

## of Washington H Soul Pattinson and Company Limited

Dear Exco shareholder,

On behalf of the board of directors of Washington H Soul Pattinson and Company Limited (**WHSP**), I am pleased to present to you a cash offer to acquire all of your shares in Exco Resources Limited (**Exco**) for \$0.19 cash per share (**Offer**).

The Offer is subject to only one condition, being no Prescribed Occurrences occurring in relation to Exco.

The Offer represents an attractive premium to the recent and historical volume weighted average price (**VWAP**) of Exco Shares. The Offer price of \$0.19 for each Exco Share represents:

- a **premium of 18%** to the one month VWAP of \$0.161 per Exco Share up to and including 22 August 2012 (being the last trading day before the Announcement Date);
- 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.

On the date of this Bidder's Statement, WHSP is currently Exco's largest shareholder with a relevant interest in 19.9% of the issued capital of Exco.

Exco's second largest shareholder (after WHSP), Ivanhoe Australia Limited (**IVA**) holds 55,022,862 million shares in Exco and 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 IVA.

The Offer is **not** subject to a minimum acceptance level or to any regulatory approval conditions. The Offer also provides **accelerated payment terms**, with accepting Exco shareholders receiving their cash within 7 days of the later of the receipt by WHSP of your acceptance and the date on which the Offer becomes unconditional.

Details of our Offer, including its terms, are set out in this Bidder's Statement. I encourage you to read this Bidder's Statement carefully and in full, and then to accept the Offer as soon as possible. The Offer is open for your acceptance until 7.00 pm (Sydney time) on [.] unless otherwise extended.

To accept the Offer, you should follow the instructions in this Bidder's Statement and on the enclosed Acceptance Form.

If you have any questions about the Offer, please call the Offer Information Line on 1800 600 409 (toll-free within Australia) or +61 2 8256 3378 (for callers from outside Australia) between 9.00 am and 5.00 pm Monday to Friday (Sydney time) during the Offer Period.

We look forward to receiving your favourable consideration of our Offer.

Yours sincerely,

**Robert D. Millner**

*Chairman*

Washington H Soul Pattinson and Company Limited

# Why you should **Accept** the Offer



1. The Offer provides an attractive premium to the recent and historical volume weighted average trading prices of Exco Shares



2. The Offer is a straight forward cash Offer subject only to one condition, which provides Exco shareholders with certainty



3. The Offer allows Exco shareholders to eliminate any risks associated with the development of Exco's assets



4. The Offer allows Exco shareholders to eliminate any future funding uncertainties for Exco's assets



5. Exco's Share price may fall if the Offer is not successful and there is no competing proposal



6. If a substantial number of other Exco shareholders accept the Offer, the remaining liquidity of Exco Shares will likely decrease. This may adversely impact the trading value of Exco Shares as well as the ability of Exco shareholders to sell their Exco Shares



7. WHSP's Offer is the only offer available for your Exco Shares



8. You will not pay brokerage by accepting the Offer



# Why you should **Accept** the Offer



## 1. The Offer provides an attractive premium to the recent and historical volume weighted average trading prices of Exco Shares

### Offer Premium Analysis



Note: Based on the period up to and including 22 August 2012, being the last trading day before the Announcement Date

## 2. The Offer is a straight forward cash Offer subject only to one condition, which provides Exco shareholders with certainty

The value of Exco's assets and its ability to fund these to production is impacted by the global economic environment.

The Offer provides certainty of cash at a time when, as an explorer and developer, Exco is exposed to earnings and funding uncertainty. If you choose not to accept the Offer and WHSP does not compulsorily acquire your Exco Shares you will continue to have exposure to the risks associated with an investment in Exco.

The Offer is subject to only one condition, being no Prescribed Occurrences occurring in relation to Exco and there is **no** minimum acceptance condition.

WHSP is offering **ACCELERATED PAYMENT TERMS**, with accepting Exco shareholders receiving their cash within 7 days of the later of the receipt by WHSP of your acceptance and the date on which the Offer becomes unconditional.

### 3. The Offer allows Exco shareholders to eliminate any risks associated with the development of Exco's assets

A majority of Exco's assets are development and exploration stage assets which are inherently risky. The Offer allows Exco shareholders to sell all of their Exco Shares and eliminate such risk at a premium.

### 4. The Offer allows Exco shareholders to eliminate any future funding uncertainties for Exco's assets

Exco may need additional funding in the future to bring its development and exploration assets to production. If such funding is by means of an equity raising, Exco shareholders who cannot or choose not to participate in any such equity raising may have their shareholding in Exco diluted.

### 5. Exco's Share price may fall if the Offer is not successful and there is no competing proposal

In the event that the Offer lapses and there is no competing proposal, the price of Exco's Shares may fall to below the Offer Price. In the 5 months prior to Announcement Date, Exco Shares have never closed above the Offer Price.

### 6. If a substantial number of other Exco shareholders accept the Offer, the remaining liquidity of Exco Shares will likely decrease. This may adversely impact the trading value of Exco Shares as well as the ability of Exco shareholders to sell their Exco Shares

At the Announcement Date, WHSP held a relevant interest in 19.9% of Exco Shares on issue. At the Announcement Date, Exco's second largest shareholder, Ivanhoe Australia Limited (**IVA**) held an interest in 15.5% of Exco Shares on issue.

IVA 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 IVA.

WHSP's intentions in respect to Exco depend on the level of shareholding it achieves at the close of the Offer. These intentions are set out in Section 6. Exco shareholders should be aware that there are risks associated with being a minority shareholder in an illiquid stock.

### 7. WHSP's Offer is the only offer available for your Exco Shares

At the date of this Bidder's Statement, there were no alternative proposals available to Exco shareholders.

### 8. You will not pay brokerage by accepting the Offer

By accepting the Offer, you will not pay any brokerage. You may incur brokerage costs if you choose to sell your Exco Shares on market or instruct your broker to accept the Offer on your behalf.

## Section 1

# Frequently asked questions

This Section provides an overview of the Offer. Section 9 contains the full terms and conditions of the Offer.

<b>What is the Offer?</b>	WHSP offers to acquire all of your Exco Shares for \$0.19 in cash per Exco Share on the terms set out in Section 9 of this Bidder's Statement. You can only accept the Offer in respect of all of your Exco Shares.
<b>When does the Offer open?</b>	The Offer opens on [•].
<b>When does the Offer close?</b>	Unless the Offer is extended or withdrawn, acceptances for the Offer close at 7.00 pm (Sydney time) on [•].
<b>What is this Bidder's Statement?</b>	This document is the Bidder's Statement and describes the terms and conditions of the Offer for your Exco Shares and sets out information relevant to your decision as to whether to accept the Offer for all of your Exco Shares. This Bidder's Statement is an important document and should be read in its entirety. If you are in any doubt as to how to deal with this document, please consult your legal, financial or other professional adviser as soon as possible.
<b>What is the expected date of payment to Exco shareholders who accept the Offer?</b>	If you accept the Offer, WHSP will pay you the consideration to which you are entitled within 7 days of the later of the receipt of your acceptance by WHSP and the date on which the Offer becomes unconditional.
<b>Is there any possibility that the Offer Period will be extended?</b>	The Offer Period can be extended at WHSP's election, subject to the Corporations Act. You will be sent written notice of any extension as required by the Corporations Act and the extension will be announced to ASX.
<b>Can I accept the Offer in respect of only some of my shareholding?</b>	No. You can only accept the Offer in respect of all of your Exco Shares. If you accept the Offer, you will be deemed to have accepted the Offer in respect of all of your Exco Shares.
<b>Which securities does the Offer relate to?</b>	The Offer is made in respect of Exco Shares that exist or will exist as at 7.00 pm (Sydney time) on 27 August 2012 ( <b>Record Date</b> ) and also relates to Exco Shares that are issued during the period from the Record Date to the end of the Offer Period due to the vesting of Exco Performance Rights.
<b>Are there conditions to the Offer?</b>	The Offer is only subject to one condition, being no Prescribed Occurrences occurring in relation to Exco.
<b>Can I sell my Exco Shares on ASX?</b>	Yes. However, once you accept the Offer, you will not be permitted to sell your Exco Shares on ASX, accept any other offer or otherwise deal with your Exco Shares, subject to you exercising any withdrawal rights which might arise.
<b>When will I receive Exco's target's statement?</b>	Exco will be required to send you its Target's Statement on or before [•].
<b>Will I incur any brokerage costs if I accept the Offer?</b>	If you accept the Offer, you will not be required to pay brokerage costs if the Exco Shares are registered in your name and you deliver them directly to WHSP. However, if your Exco Shares are registered in a CHESS Holding or you hold your Exco Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or services charges in connection with your acceptance of the Offer.
<b>Do I have to pay stamp duty if I accept the Offer?</b>	No, you will not have to pay stamp duty if you accept the Offer.
<b>What if I accept the Offer and WHSP increases the Offer Price?</b>	In accordance with the Corporations Act, if WHSP increases the Offer Price, you will be paid the higher price irrespective of when you accepted the Offer. If you have already received payment in respect of the Offer, you will be paid the difference between the amount you have already received and the higher price.

<b>What will happen when I accept the Offer?</b>	<p>If you accept the Offer you will be paid \$0.19 cash for each of your Exco Shares.</p> <p>Once you accept the Offer you will not be permitted to sell your Exco Shares on ASX, accept any other offer or otherwise deal with your Exco Shares, subject to you exercising any withdrawal rights which might arise.</p>
<b>What will happen if I do not accept the Offer?</b>	<p>If you do not accept the Offer, you will remain an Exco shareholder and will not receive the consideration offered by WHSP. If WHSP becomes entitled to compulsory acquire your Exco Shares, then WHSP may compulsory acquire your Exco Shares. If this occurs and WHSP compulsory acquires your Exco Shares, you will be paid the Offer Price for your Exco Shares. However, you will receive the Offer consideration earlier if you accept the Offer. If WHSP does not acquire your Exco Shares through compulsory acquisition, you will remain an Exco shareholder.</p>
<b>What are the tax implications if I accept the Offer?</b>	<p>This will vary for each individual and you are advised to consult your financial, tax, or other professional adviser on the tax implications of acceptance. A general summary of the likely Australian taxation implications of accepting the Offer are provided in Section 7 of this Bidder's Statement.</p>
<b>How do I accept the Offer?</b>	<p><b><i>If your Exco Shares are in an Issuer Sponsored Holding (your SRN starts with an "I"):</i></b></p> <p>Return a completed and signed Acceptance Form by using the self addressed envelope or otherwise, to the address indicated in the form before the end of the Offer Period.</p> <p><b><i>If your Exco Shares are in a CHESS Holding (your HIN starts with an "X"):</i></b></p> <p>Either:</p> <ul style="list-style-type: none"> <li>• return a completed and signed Acceptance Form by using the self addressed envelope or otherwise, to the address indicated in the form so that it is received in sufficient time to be processed before the end of the Offer Period; or</li> <li>• instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf before the end of the Offer Period.</li> </ul> <p><b><i>If you are a Participant:</i></b></p> <p>Initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.</p>
<b>Can I withdraw my acceptance?</b>	<p>Once you accept the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a right will arise if, after you have accepted the Offer and the Offer remains conditional, WHSP varies the Offer in a way that postpones, for more than one month, the time when WHSP has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.</p>
<b>Where do I go for further information about the Offer?</b>	<p>If you have further enquiries in relation to the Offer, please call the WHSP Offer Information Line on 1800 600 409 (toll-free within Australia) or +61 2 8256 3378 (for callers from outside Australia) between 9.00 am and 5.00 pm Monday to Friday (Sydney time) during the Offer Period. Alternatively, you may contact your legal, financial or other professional adviser.</p> <p>Any further material information relating to the Offer will be lodged with ASX and included on WHSP's website at <a href="http://www.whsp.com.au">www.whsp.com.au</a>. Further material information may also be the subject of a supplementary bidder's statement from WHSP.</p>

### **By accepting the Offer you will appoint WHSP as your proxy in respect of your Exco Shares.**

You should note that in addition to the usual proxy rights conferred on a bidder by an acceptance where an offer has become unconditional, the terms of the Offer also entitle WHSP to attend and vote at general meetings of Exco on your behalf in respect of your Exco Shares for which you have accepted the Offer before the Condition of the Offer is fulfilled or waived. Those terms also preclude you from attending and voting or appointing another proxy.

In particular, if you accept the Offer prior to the relevant general meeting (if any), WHSP will be entitled to vote in respect of your Exco Shares on any proposal which competes with the Offer which requires Exco shareholder approval, prior to the Offer becoming unconditional. WHSP is likely to vote against any such proposal.

It is therefore possible that WHSP could vote against any competing proposal in respect of your Exco Shares, but WHSP may not be successful in completing the acquisition of your Exco Shares under the Offer, in which case you could remain as a shareholder in Exco.

You should note that the proxy rights granted to WHSP will not be limited to resolutions relating to, or affecting, the Offer. The proxy rights will cease if you withdraw your acceptance of the Offer pursuant to an entitlement under section 650E of the Corporations Act or if the Condition to the Offer is not fulfilled or waived.

## Section 2

# Information on WHSP

## 2.1 Overview of WHSP and its principal activities

WHSP is a diversified investment company incorporated in Australia and is Australia's second oldest publicly listed company, having listed in 1903.

WHSP has significant investments across a range of different sectors including resources, telecommunications, building products, financial services, pharmaceuticals, retail and agriculture.

## 2.2 WHSP Directors

The directors of WHSP as at the date of this Bidder's Statement are set out below:

### **Robert D Millner**

Chairman of the Board, Non-Executive Director since 1984

### **Michael J Millner**

Deputy Chairman, Non-Executive Director since 1997

### **Peter R Robinson**

Executive Director, joined the Company in 1978 and a Director since 1984

### **David J Fairfull**

Non-Executive Director since 1997

### **Thomas C D Millner**

Non-Executive Director since 2011

### **Robert G Westphal**

Non-Executive Director since 2006

### **David E Wills**

Non-Executive Director since 2006

## 2.3 Announcement by Bidder in relation to the Offer

On 23 August 2012 WHSP made an announcement to ASX in relation to the Offer. A copy of the announcement is set out in Annexure A to this Bidder's Statement.

## 2.4 Alliance agreement and royalty agreements

As previously disclosed by Exco, including in its announcement to ASX dated 1 April 2011, its annual report for its 2011 financial year released on 24 October 2011 and in its announcement to ASX dated 19 July 2012, Exco has a number of agreements in place with CopperChem Limited (**CopperChem**), a subsidiary of WHSP. These include an alliance agreement and various royalty agreements (together, the **Alliance and Royalty Agreements**) entered into by Exco in December 2004 and subsequently varied in September 2009, when CopperChem first acquired an interest under the Alliance and Royalty Agreements. The Alliance and Royalty Agreements relate to the mining of copper ore resources in the Cloncurry district in Queensland, including under the Great Australia mining lease (ML90065).

Under the Alliance and Royalty Agreements, Exco retains a residual interest with respect to sulphide ores in the Great Australia mining lease and is entitled to certain royalty rights over sulphide ores and oxide ores mined by CopperChem under the Great Australia mining lease.

As disclosed by Exco in its announcement to ASX dated 19 July 2012, there is currently a dispute between CopperChem and Exco in relation to the royalty rights under the Alliance and Royalty Agreements. No formal dispute resolution procedures have commenced.

## 2.5 Publicly available information

WHSP is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, WHSP is subject to the ASX Listing Rules, which require continuous disclosure of any information WHSP has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The ASX website lists all of the announcements issued by WHSP. These documents are available in electronic form at [www.asx.com.au](http://www.asx.com.au).

In addition, WHSP is required to lodge certain documents with ASIC. Copies of the documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. A substantial amount of publicly available information about WHSP is also available on the WHSP website at [www.whsp.com.au](http://www.whsp.com.au).

## Section 3

# Information on Exco

### 3.1 Disclaimer

The information set out in this Bidder's Statement in relation to Exco has been prepared by WHSP using publicly available information, which has not been independently verified. Accordingly, WHSP does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Further information relating to Exco's business may be included in the Target's Statement.

### 3.2 Overview of Exco

Exco is an ASX listed mining and exploration company operating since 1998. Exco is focused on exploration and resource/project development.

### 3.3 Exco Directors

The directors of Exco as at the date of this Bidder's Statement are set out below:

**Barry Sullivan**

Chairman of the board and a Non-Executive Director  
A Director since 2005

**Alasdair Cooke**

Executive Director. A Director since 2001

**Tom Whiting**

Non-Executive Director since 2011

**Michael Spreadborough**

Non-Executive Director since 2012

**Geoff Laing**

Managing Director since 2012

### 3.4 History of Exco

Exco was registered in Australia on 14 November 1997 and listed on ASX on 21 November 1998.

### 3.5 Operations

Exco holds over 3,000 square kilometres of prospective tenements in the Cloncurry region of North West Queensland and jointly owns the White Dam Gold Project in South Australia with joint venture partner Polymetals Mining Limited.

### 3.6 Securities

Please refer to Section 4 of this Bidder's Statement for details of Exco's securities, WHSP's interest in those securities and WHSP's dealings in those securities.

### 3.7 Publicly available information

Exco is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, Exco is subject to the ASX Listing Rules, which require continuous disclosure of any information Exco has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The ASX website lists all of the announcements issued by Exco. These documents are available in electronic form at [www.asx.com.au](http://www.asx.com.au).

The Exco annual report for the financial year ended 30 June 2011 (**Annual Report**) was lodged with ASIC and given to ASX on 24 October 2011. A description of each announcement made by Exco following the lodgement of the Annual Report up to the date of this Bidder's Statement is set out at Annexure B.

In addition, Exco is required to lodge certain documents with ASIC. Copies of the documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. Further publicly available information about Exco is available in electronic form on Exco's website at [www.excoresources.com.au](http://www.excoresources.com.au).

## Section 4

# Information on Exco Securities

### 4.1 Exco Securities on issue

According to documents provided by Exco to ASX, as at the date of this Bidder's Statement, Exco has the following securities on issue:

- 356,044,187 Exco Shares; and
- 11,200,000 Exco Performance Rights.

Prior to the announcement of the Offer, the Exco board had also resolved to issue, subject to shareholder approval at the next general meeting, a further 3,300,000 Exco Performance Rights to directors. Refer to Section 4.7 for details.

### 4.2 Interest in Exco Shares

As at the date of this Bidder's Statement:

- (1) WHSP's voting power in Exco is 19.9%; and
- (2) WHSP has a relevant interest in 70,852,793 Shares.

As at the date the Offer is first sent:

- (1) WHSP's voting power in Exco is [·] and
- (2) WHSP has a relevant interest in [·] Exco Shares.

### 4.3 Dealings in Exco Shares

On 23 August 2012, WHSP acquired 24,265,770 Exco Shares from Ivanhoe Australia Limited for \$0.19 per share.

Apart from the above, neither WHSP nor any associate of the WHSP has provided, or agreed to provide, consideration for Exco Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

### 4.4 Highest price paid for Exco Shares by Bidder

The highest price paid in the last 4 months before the date of this Bidder's Statement by WHSP or its Associates for an Exco Share was \$0.19.

### 4.5 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither WHSP nor any associate of WHSP gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (1) accept the Offer; or
- (2) dispose of Exco Shares,

which is not offered respectively to all Exco shareholders under the Offer.

### 4.6 No escalation agreements

Neither WHSP nor any associate of WHSP has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

### 4.7 Exco Performance Rights

In March 2012, Exco implemented the "Exco Resources Ltd Long Term Incentive Awards Plan – 2012" (**Plan**).

The Exco Performance Rights are not quoted on ASX. The holder of any Exco Performance Rights will be issued one ordinary fully paid share for each vested Exco Performance Right for no consideration. So far as is known to WHSP, Exco Performance Rights are capable of vesting if certain performance hurdles are achieved in accordance with the Plan. Unvested Exco Performance Rights issued have an expiry date of 20 January 2016.

It is not clear, based on publicly available information, whether Exco Performance Rights automatically vest upon there being a takeover bid or change of control.

In the event that the Exco Performance Rights vest during the period from the Record Date to the end of the Offer Period, WHSP will acquire those Exco Shares to the extent that the relevant holder accepts the Offer in respect of their Exco Shares.

If it becomes entitled to under the Corporations Act, WHSP will proceed with compulsory acquisition of any outstanding Exco Performance Rights that are not capable of acceptance into the Offer.

Further, WHSP understands from an Exco ASX announcement dated 30 March 2012 that Exco intends to issue a further 3,300,000 Exco Performance Rights to directors subject to shareholder approval at the next annual general meeting. The issue of these Exco Performance Rights may occur after the Record Date but during the Offer Period.

Again, it is not clear, based on publicly available information whether these Exco Performance Rights automatically vest upon there being a takeover bid or change of control. Upon obtaining further details in relation to these Exco Performance Rights WHSP may consider varying the Offer so that it also extends to Exco Shares issued as a result of the vesting of the Exco Performance Rights issued pursuant to the Plan after the Record Date. This variation would require a modification, or exception from, the Corporations Act by ASIC. Refer to Section 8.2 for further information.

If this occurs, the issue of the 3,300,000 Exco Performance Rights to directors would result in the Condition being breached in respect of that issue. If this occurs, WHSP will make a decision as to whether it will rely on that occurrence or instead waive the relevant Condition in respect of that occurrence, until the date for giving notice as to the status of the Condition under section 630(3) of the Corporations Act.

## Section 5

# Sources of cash Consideration

### 5.1 Maximum Amount under the Share Offer

The consideration for the acquisition of Exco Shares to which the Offer relates (including those Exco Shares which may be issued on the vesting of the Exco Performance Rights) will be satisfied wholly in cash.

The maximum amount of cash payable under the Offer assuming WHSP acquires all of the Exco Shares which it does not already hold will be \$54.2 million.

In addition, if the Exco Performance Rights on issue as at the date of this Bidder's Statement are vested and acquired through the Offer, an additional \$2.1 million will be payable under the Offer.

If those Exco Performance Rights pending Exco shareholder approval (refer to Section 4.7 for further information) are issued, WHSP varies the Offer to extend to these Exco Performance Rights and they are acquired through the Offer, an additional \$0.6 million will be payable under the Offer.

Accordingly, the maximum amount of cash that WHSP will be required to pay under the Offer is \$56.9 million.

### 5.2 Source of Funds

WHSP has existing cash reserves in excess of the maximum consideration payable pursuant to the Offer and WHSP intends to fund the Offer solely through the existing cash reserves of approximately \$218 million held across a number of financial institutions listed on recognised securities exchanges in Australia and overseas.



## Section 6

# WHSP's Intentions for Exco

## 6.1 Introduction

This Section sets out WHSP's intentions for Exco, which are based on the information concerning Exco and its business known to WHSP at the time of preparation of this Bidder's Statement, in relation to:

- the continuation of the business of Exco;
- any major changes to be made to the business of Exco, including any redeployment of the fixed assets of Exco;
- the compulsory acquisition of Exco Shares and the delisting of Exco; and
- the future employment of the present employees of Exco.

WHSP will only make final decisions in light of the material information available to it and circumstances at the relevant time. The statements set out in this Section are therefore statements of current intentions only, which may vary as new information becomes available or circumstances change.

## 6.2 Review of Exco

WHSP has reviewed information that has been made publicly available about Exco regarding its current activities and its plans for the future. However it does not currently have knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation, and financial implications of its current intentions.

At the end of the Offer Period, WHSP will, to the extent that it is able, conduct a review of Exco and its operations, assets, liabilities, structure and employees following which it will, as required, review its intentions as set out in this Section.

Consequently, final decisions on these matters have not been made and statements in this Section are statements of current intention only and which may change as new information becomes available or circumstances change.

## 6.3 Intentions on acquisition of 90% or more of Exco Shares

If WHSP becomes entitled to compulsorily acquire all of the Exco Shares in accordance with the Corporations Act, its current intentions for Exco would be as set out in this Section 6.3.

### (1) Compulsory Acquisition

If it becomes entitled to under the Corporations Act, WHSP will proceed with compulsory acquisition of any outstanding Exco Shares in accordance with the provisions of the Corporations Act, including any Exco Shares issued as a result of the vesting of Exco Performance Rights and Exco Performance Rights which have not been cancelled, vested or acquired by WHSP prior to the Closing Date.

### (2) ASX Listing

WHSP intends to procure that Exco is removed from the official list of ASX.

### (3) Directors

WHSP intends to replace some or all of the directors of Exco with its own nominees. The replacement directors have not yet been identified by WHSP and their identity will depend upon the relevant circumstances at the time.

### (4) Head Office

WHSP intends to centralise corporate head office functions of WHSP and Exco, such as company secretarial, treasury, financial management, legal, risk management and overall corporate administration of the combined operations, to reduce and eliminate duplication where appropriate.

### (5) Employees

As outlined in Section 6.2, WHSP will conduct a detailed review of Exco's operations, assets, liabilities, structure and employees. Subject to undertaking this review, WHSP expects that there may be some duplication in WHSP's and Exco's businesses and as such certain positions may become redundant. If it is not possible for WHSP to offer alternate roles to employees holding those positions, it is expected that they will be offered redundancy packages in accordance with applicable employment laws.

### (6) Divestment Policy

WHSP does not currently intend to dispose of any assets of Exco. If in the future offers are received for the assets of Exco upon terms and conditions which are favourable so as to be in the in the best interests of Exco, then those assets may be sold.

### (7) Specific operational intentions

WHSP will conduct a detailed review of the business and operations of Exco following the close of the Offer to ensure that maximum efficiencies are gained. This review may or may not lead to changes in the business or operations of Exco.

## 6.4 Intentions on acquisition of more than 50% but less than 90% of Exco Shares

If WHSP obtains control of Exco but is not entitled to compulsorily acquire the outstanding Exco Shares, its current intentions for Exco would be as follows:

- (1) subject to the Corporations Act and the constitution of Exco, replace some or all of the directors of Exco to reflect WHSP's ownership interest in Exco; Replacement directors have not yet been determined by WHSP and their number and identity will depend upon the circumstances at the relevant time;
- (2) subject to the Listing Rules, ask the directors of Exco to review whether Exco should remain listed on ASX or be removed from the official list of ASX;
- (3) propose to the board of directors of Exco that they conduct a review of all of Exco's operations and, subject to the approval of Exco's board, allow WHSP to participate in that review;
- (4) implement the intentions outlined in Section 6.3 above, which are consistent with WHSP obtaining control of Exco; and
- (5) WHSP may acquire additional Exco Shares under the "creep" provisions of the Corporations Act. In summary, these provisions would allow WHSP and its Associates to acquire up to 3% of Exco Shares every 6 months. WHSP has not decided whether it will acquire Exco Shares under the "creep" provisions, as that will be dependent upon (amongst other things) the extent of the voting power of WHSP and its associates in Exco and market conditions at that time.

WHSP would only make a decision on these courses of action following receipt of appropriate legal, taxation and financial advice, and in light of the material circumstances at the relevant time, including Exco's directors obligations to have regard to the interests of Exco and all Exco shareholders. WHSP's intentions must also be read subject to the requirements of the Corporations Act and the Listing Rules (if Exco remains listed) in relation to related party transactions.

## 6.5 Intentions on acquisition of less than 50% of Exco Shares

WHSP's current intentions if it does not acquire control of Exco, are to seek to obtain representation on the board of Exco and then gain a more detailed understanding of all of the projects, assets and operations of Exco to evaluate performance, profitability and prospects of Exco in light of the information then available to WHSP.

## 6.6 Business, assets and employees

Whether Exco becomes wholly owned or partly owned by WHSP, other than as set out elsewhere in this Section, it is WHSP's present intention:

- (1) to continue the business of Exco;
- (2) not to make any major changes to the business of Exco or redeploy any of the fixed assets of Exco; and
- (3) to continue, to the maximum extent possible, the employment of Exco's present employees.

## Section 7

# Taxation considerations

## 7.1 Introduction

The information in this Section is intended to provide a general overview of the Australian income and capital gains tax implications for Australian residents who accept the Offer.

This summary is not intended to be comprehensive and is based upon WHSP's interpretation of Australian income tax legislation currently in force at the date of this Bidder's Statement. Exco shareholders should not rely on the information in this Section as advice in relation to their own affairs. The taxation laws are complex and there could be implications in addition to those described in this Section. Exco shareholders should seek independent professional advice in relation to their own particular circumstances.

The information in this Section does not apply to non-resident Exco shareholders and Exco shareholders who have received their Exco Shares in their capacity as employees of Exco. Non-resident and employee shareholders should also obtain their own independent advice.

## 7.2 Exco Shares held as a capital investment

Exco shareholders, who acquired their shares with the intention of holding them as a long term investment to earn dividend income and/or for long term capital growth, will usually be treated as holding those shares as a capital asset.

Such Exco shareholders who accept the Offer and dispose of their Exco Shares to WHSP may realise a capital gain or capital loss under Australian capital gains tax rules.

Exco shareholders whose cost base for the acquisition of their Exco Shares is for less than the Offer Price, will make a capital gain on the disposal of their Exco Shares to WHSP. The cost base of listed shares will generally be the cost of acquisition of the Exco Shares plus any costs incurred in relation to acquiring and disposing of the shares (such as broker's fees and stamp duty). Certain Exco shareholders can qualify to be entitled to a CGT discount so that only part of any net capital gain is liable to Australian tax.

If an individual makes a capital gain from the disposal of their Exco Shares which have been held for at least 12 months before disposal, the individual will qualify for the discount and be taxed on only 50% of any net gain remaining after the application of capital losses incurred in the current year and carried forward from prior years by the Exco shareholder. If the Exco Shares have been held for less than 12 months, the individual will be taxed on 100% of any net gain remaining after the application of any capital losses.

If a trustee of a superannuation fund makes a capital gain from the disposal of Exco Shares which have been held for at least 12 months before disposal, after application of the discount, the trustee will be taxed on only  $\frac{2}{3}$  of any net gain remaining after the application of capital losses.

The discount can also apply to Exco shareholders who are trustees of other trusts. Such shareholders should seek specific tax advice concerning the application of the CGT discount rules to them.

As an alternative to the discounting concession above, in calculating their capital gain, Exco shareholders who are individuals, complying superannuation entities or the trustees of trusts who acquired their Exco Shares at or before 11.45am on 21 September 1999, may choose to adjust the cost base of their Exco Shares to include indexation by reference to changes in the consumer price index up to the calendar quarter ended 30 September 1999.

Exco shareholders whose cost base of acquiring their Exco Shares is greater than the Offer Price will make a capital loss if they accept the Offer. In calculating the capital loss, the reduced cost base is not indexed for inflation irrespective of how long the Exco Shares have been held.

Capital losses may be offset against capital gains arising in the same year of income to determine the net capital gain. Any net capital gain is included in the Exco shareholder's assessable income and is subject to income tax. Capital losses may not be otherwise offset against taxable income, but may be carried forward to offset against future capital gains.

Exco shareholders should seek independent professional advice in relation to their own particular circumstances.

## 7.3 Exco Shares held as revenue assets

Australian resident Exco shareholders may be subject to the general income tax provisions (rather than the capital gains tax provisions) in respect of the profit or loss made from the disposal of their Exco Shares to WHSP in some circumstances. For example, this will occur if an Exco shareholder is in the business of trading in securities or their Exco Shares were acquired for the purpose of making a profit from a subsequent sale.

In these circumstances a taxable gain will arise if the Offer Price exceeds an Exco shareholder's costs of acquiring its Exco Shares. A loss will arise for the Exco shareholder if the Offer Price is less than the costs they incurred when acquiring the Exco Shares. This loss may be offset against other taxable income (including capital gains) made by the Exco shareholder.

Exco shareholders should seek independent professional advice in relation to their own particular circumstances.

## Section 8

# Other material information

### 8.1 Introduction

Except as set out in this Bidder's Statement, there is no other information that is material to the making of the decision by a holder of Exco Shares whether to accept the Offer, which is known to WHSP and has not been previously disclosed to Exco shareholders.

### 8.2 ASIC modifications to and exemptions from the Corporations Act

WHSP has not obtained from ASIC any modifications to, or exemptions from, the Corporations Act to facilitate the Offer. WHSP may however rely on various "Class Order" instruments published by ASIC which provide for certain modifications and exemptions that apply generally to all bidders, including WHSP.

WHSP may consider seeking to obtain a modification of, or exemption from, the Corporations Act, from ASIC to allow it to vary the Offer so that it also extends to Exco Shares issued as a result of the vesting of the Exco Performance Rights issued following the Record Date pursuant to the Exco Performance Rights Plan. Refer to Section 4.7 of this Bidder's Statement for further information.

### 8.3 Date for determining holders of Exco Shares

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Record Date.

### 8.4 On-market acquisitions

You should be aware that, subject to the requirements of the Corporations Act, WHSP may acquire Exco Shares on market at prices up to the Offer Price during normal trading on ASX. These purchases will be disclosed to ASX in substantial holder notices which WHSP is required to lodge pursuant to Part 6C.1 of the Corporations Act.

Exco shareholders who sell their Exco Shares on ASX will receive payment on a T+3 basis (being three trading days after the date of the transaction). Exco shareholders who sell their Exco Shares on ASX cannot subsequently accept the Offer in respect of their Exco Shares sold on ASX. Additionally, Exco shareholders who sell their Exco Shares on ASX may incur brokerage charges which they would not incur if they accepted the Offer.

### 8.5 Consents

Norton Rose Australia has acted as legal adviser, Pitt Capital Partners has acted as financial adviser and Advanced Share Registry has acted as share registrar for WHSP in connection with the Offer. Each of Norton Rose Australia, Pitt Capital Partners, Advanced Share Registry and CopperChem Limited has consented to be named in this Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of the Bidder's Statement but should not be regarded as authorising the issue of this Bidder's Statement or any statements in it.

This Bidder's Statement contains statements made or based on statements made in documents lodged with ASIC or ASX. The terms of ASIC Class Order 01/1543 allow such statements to be included without the consent of the parties who made them. Exco shareholders may obtain copies of these documents (free of charge) during the Offer Period by contacting the offer information line. Exco shareholders should note that the Directors of WHSP have assumed, for the purposes of preparing this Bidder's Statement, that the information contained in the documents lodged with ASIC or ASX is accurate. However, the Directors do not take responsibility for the content of these documents and are not to be taken as endorsing, in any way, any or all statements contained in such documents, except to the extent required by law.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person or from a public official document; or
- a published book, journal or comparable publication.

### 8.6 Other information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (1) material to the making of a decision by a Exco shareholder whether or not to accept the Offer; and
- (2) known to WHSP,

which has not previously been disclosed to Exco shareholders.

## Section 9

# Terms and conditions of the Offer

### 9.1 What is the Offer?

- (1) WHSP offers to buy all of your Exco Shares together with all Rights attached to them, on the terms set out in this Offer.
- (2) The consideration offered is \$0.19 cash for each of your Exco Shares.
- (3) By accepting this Offer, you undertake to transfer to WHSP not only all of your Exco Shares, but also all Rights attached to your Exco Shares (see Section 9.5(4) for further information).

### 9.2 What is the Offer Period?

- (1) The Offer is dated [•].
- (2) The Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on [•], unless withdrawn or extended in accordance with the Corporations Act.
- (3) WHSP may extend the Offer Period in accordance with the Corporations Act. If such an extension is made, the date specified in Section 9.9 for publication of the notice described in that Section will be varied accordingly.
- (4) If, within the last 7 days of the Offer Period, either of the following events occur:
  - (a) the Offer is varied to improve the consideration offered; or
  - (b) WHSP's voting power in Exco increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event, subject to any further extensions in accordance with the Corporations Act.

### 9.3 How do you accept the Offer?

#### (1) General

- (a) You may only accept the Offer in respect of all of your holding of Exco Shares.
- (b) You may accept the Offer at any time during the Offer Period.

#### (2) Issuer Sponsored Holdings

If you hold your Exco Shares in an Issuer Sponsored Holding (your SRN starts with "I"), to accept the Offer you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the instructions on it. If you do not specify any shares, you will be deemed to have accepted the Offer in respect of all of your Exco Shares; and

- (b) return the completed Acceptance Form, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address shown on the Acceptance Form.

#### (3) CHESS Holdings

If your Exco Shares are in a CHESS Holding (your HIN starts with "X") and you are not a Participant, to accept the Offer in respect of your Exco Shares you must either:

- (a) instruct your Controlling Participant to initiate the acceptance on your behalf under Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (b) authorise WHSP to instruct your Controlling Participant on your behalf to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules by completing, signing and returning to WHSP the enclosed Acceptance Form in accordance with the instructions on it (together with all documents required by the instructions on the Acceptance Form), at the address shown in the Acceptance Form before the end of the Offer Period.

If you are a Participant, you must yourself initiate acceptance under Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

#### (4) Acceptance Form and other documents

- (a) The Acceptance Form forms part of the Offer.
- (b) If your Acceptance Form (together with all documents required by the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted and delivered in sufficient time for them to be received by WHSP at the address shown on the Acceptance Form before the end of the Offer Period.
- (c) When using the Acceptance Form to accept this Offer in respect of Exco Shares in a CHESS Holding, you must ensure that the Acceptance Form (together with all documents required by the instructions on the Acceptance Form) are received by WHSP in time for WHSP to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (d) The postage and transmission of the Acceptance Form and other documents is at your own risk.

## 9.4 Effect of Acceptance

- (1) If you accept the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, except as follows:
  - (a) if, by the relevant time specified in Section 9.4(2), the Condition in Section 9.6 has not been satisfied or waived in accordance with Section 9.8, the Offer will automatically terminate and WHSP will not acquire your Exco Shares under the Offer; or
  - (b) if the Offer Period is extended for more than one month and, at the time, the Offer is subject to the Condition in Section 9.6, you may be able to withdraw your acceptance and your Exco Shares.
- (2) The relevant time for the purposes of Section 9.4(1) is 3 business days after the end of the Offer Period.
- (3) By signing and returning the Acceptance Form or otherwise accepting the Offer pursuant to Section 9.3, you:
  - (a) accept the Offer (and any variation of it) in respect of all of your Exco Shares;
  - (b) agree to transfer to WHSP all of your Exco Shares, subject to the Offer being declared free from the Condition set out in Section 9.6 (or such Condition being fulfilled);
  - (c) represent and warrant to WHSP that at the time of acceptance as a fundamental condition going to the root of the contract resulting from your acceptance, and the time the transfer of your Exco Shares to WHSP is registered;
    - (i) all your Exco Shares are and will be fully paid up, and WHSP will acquire good title to them and full beneficial ownership of them free from all Third Party Rights;
    - (ii) that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in those Exco Shares (including any Rights) to WHSP; and
    - (iii) unless you have notified WHSP in accordance with Section 9.11, your Exco Shares do not consist of separate parcels;
  - (d) from the date of the Offer becoming unconditional, irrevocably authorise WHSP (or any nominee or nominees of WHSP) as your agent and attorney to exercise all your powers and rights attaching to your Exco Shares. This includes, without limitation, powers and rights to:
    - (i) requisition, convene, attend and vote in person or by proxy at all general meetings of Exco; and
    - (ii) execute all such instruments as WHSP may require for the purpose of vesting good title in your Exco Shares and all Rights attaching to your Exco Shares in WHSP;
  - (e) whether or not the Offer or the contract resulting from your acceptance of the Offer has become unconditional, irrevocably authorise WHSP (or any nominee or nominees of WHSP) as your agent and attorney to attend and vote in person or by proxy at all general meetings of Exco on your behalf until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if the Condition of the Offer has been satisfied or waived, the registration of WHSP as the holder of those Exco Shares;
  - (f) agree that in exercising the powers conferred by the power of attorney in Sections 9.4(3)(d) and 9.4(3)(e), WHSP or its nominee is entitled to act in the interest of WHSP;
  - (g) agree not to attend or vote in person at any general meeting of Exco, or to exercise or purport to exercise any of the powers conferred on WHSP or its nominee in Sections 9.4(3)(d) and 9.4(3)(e) during the relevant periods referred to in those Sections;
  - (h) indemnify WHSP against any claim or action against it for any loss, damage or liability incurred by it as a result of you not producing your Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**) or in consequence of the transfer of your Exco Shares being registered by Exco without production of your HIN or SRN for your Exco Shares;
  - (i) if your Exco Shares are in a CHESS Holding, from the date of the Offer becoming unconditional irrevocably authorise WHSP (or any nominee or nominees of WHSP) to:
    - (i) instruct your Controlling Participant to initiate acceptance of the Offer in respect of your Exco Shares in accordance with the ASX Settlement Operating Rules;
    - (ii) give any other instructions in relation to your Exco Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
    - (iii) even though WHSP has not yet paid or provided the consideration due to you, transmit a message to ASX in accordance with the ASX Settlement Operating Rules so as to enter your Exco Shares which are in a CHESS Holding to the Takeover Transferee Holding;
  - (j) irrevocably authorise WHSP (or any nominee or nominees of WHSP) to alter the Acceptance Form by inserting such details as are omitted in respect of your Exco Shares and by rectifying any errors in or omissions from it as may be necessary to make it an effective acceptance of the Offer or to enable registration of the transfer of your Exco Shares to WHSP;
  - (k) irrevocably authorise and direct Exco to pay to WHSP, or to the account of WHSP for, all Rights in respect of your Exco Shares. If the Offer is withdrawn, rescinded or rendered void, WHSP will account to you for any such Rights received by WHSP;
  - (l) irrevocably authorise WHSP to notify Exco on your behalf that your place of address for the purpose of serving notices upon you in respect of your Exco Shares is the address specified in the WHSP notification; and
  - (m) agree, subject to the Condition of the Offer in Section 9.6 being satisfied or waived, to execute all such documents,



transfers and assurances as may be necessary or desirable to convey your Exco Shares registered in your name and attaching Rights to WHSP.

- (4) WHSP may, at any time, in its sole discretion and without further communication to you, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements for acceptance has not been complied with, but if WHSP does so, WHSP is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.
- (5) WHSP may, at any time, in its sole discretion and without further communication to you, determine all questions as to the form of documents, eligibility to accept the Offer and the time of receipt of an acceptance of the Offer. WHSP is not required to communicate with your prior to making this determination. The determination of WHSP will be final and binding on the parties.
- (6) The representations, warranties and authorities referred to in Section 9.4(3) will remain in force after you receive the consideration for your Exco Shares and after WHSP becomes registered as the holder of your Exco Shares.

## 9.5 Payment of Consideration

- (1) WHSP will pay to you the consideration for your Exco Shares by cheque in Australian currency. The cheque will be sent at your risk to you at your address on the share register held by WHSP immediately prior to the preparation of the cheque by prepaid ordinary mail, or in the case of addresses outside of Australia, by prepaid airmail.
- (2) Subject to this Section 9.5 and the Corporations Act, if you have accepted the Offer and the contract resulting from your acceptance becomes unconditional, WHSP will pay you the consideration under the Offer on or before the earlier of:
  - (a) the date that is 7 days after the date your acceptance is received by WHSP or, if the Offer is subject to a Condition when you accept the Offer, 7 days after the contract resulting from your acceptance of the Offer becomes unconditional; and
  - (b) 7 days after the end of the Offer Period.
- (3) Where the Acceptance Form requires an additional document to be given with your acceptance to enable WHSP to become the holder of your Exco Shares (such as a power of attorney):
  - (a) if the document is delivered with your acceptance, WHSP will provide the consideration in accordance with Section 9.5(1);
  - (b) if that document is given after acceptance and before the end of the Offer Period, while the Offer is subject to a Condition, WHSP will provide the consideration to you by the earlier of:
    - (i) 7 days after the contract resulting from your acceptance of the Offer becomes unconditional; and
    - (ii) 7 days after the end of the Offer Period;
  - (c) if that document is delivered after acceptance and before the end of the Offer Period, while the Offer is not subject

to the Condition, WHSP will provide the consideration due to you for your Exco Shares by the earlier of:

- (i) 7 days after that document is delivered; and
  - (ii) 7 days after the end of the Offer Period;
- (d) if that document is given after the end of the Offer Period, WHSP will provide the consideration within 7 days after that document is given. However, if at the time the document is given, the contract is still subject to the Condition (which relates to a circumstance or event referred to in section 652C(1) or (2) of the Corporations Act), WHSP will provide your consideration to you for your Exco Shares within 7 days after the Offer becomes unconditional; and
  - (e) if you do not give the document to WHSP within one month after the end of the Offer Period, WHSP may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.
- (4) If you accept the Offer, WHSP is entitled to all Rights in respect of your Exco Shares. WHSP may require you to provide all documents necessary to vest title to those Rights in WHSP, or otherwise to give it the benefit or value of those Rights. If you do not do so, or if you have received the benefit of those Rights, WHSP will be entitled to deduct from the consideration otherwise due to you the amount (or value, reasonably assessed by WHSP) of those Rights. If WHSP does not, or cannot, make such a deduction, you must pay that amount to WHSP.
  - (5) If at any time after you accept the Offer any of the following:
    - (a) Banking (Foreign) Exchange Regulations 1959 (Cth);
    - (b) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
    - (c) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2008 (Cth);
    - (d) Charter of the United Nations (Sanctions – Iraq) Regulations 2008 (Cth); or
    - (e) any other law of Australia,
 require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your Exco Shares, or would make it unlawful for WHSP to provide consideration to you for your Exco Shares, you will not be entitled to receive consideration for your Exco Shares until all requisite authorities, clearances or approvals have been received by WHSP.

## 9.6 Condition of the Offer

Subject to Section 9.7, the completion of the Offer and any contract arising from the acceptance of the Offer, is subject to fulfilment or waiver of the following condition before the end of the Offer Period:

### (1) 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:

- (a) Exco converts all or any of its shares into a larger or smaller number of shares;
- (b) Exco or a subsidiary of Exco resolves to reduce its share capital in any way;
- (c) 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;
- (d) 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;
- (e) Exco or a subsidiary of Exco issues, or agrees to issue, convertible notes;
- (f) Exco or a subsidiary of Exco disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Exco or a subsidiary of Exco charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Exco or a subsidiary of Exco resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator to Exco or a subsidiary of Exco;
- (j) a court makes an order for the winding up of Exco or a subsidiary of Exco;
- (k) an administrator of Exco, or a subsidiary of Exco, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Exco or a subsidiary of Exco executes a deed of company arrangement; or
- (m) 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.

## 9.7 Nature and Benefit of Condition

- (1) The Condition in Section 9.6(1) is a condition subsequent. The non-fulfilment of the condition subsequent does not, until the third business day after the end of the Offer Period, prevent a contract to sell your Exco Shares from arising on acceptance of the Offer, but any breach or non-fulfilment of it entitles WHSP by written notice to you, to rescind the contract that results from your acceptance of the Offer.
- (2) Subject to the Corporations Act, WHSP alone is entitled to the benefit of the Condition in Section 9.6(1) or to rely on any breach or non-fulfilment of it.
- (3) Subject to the Corporations Act, WHSP may at any time and from time to time waive (generally, or in respect of a particular event) the breach or non-fulfilment of the Condition in Section 9.6(1) or any part of the Condition.

## 9.8 Freeing Offer of Condition

- (1) WHSP may free the Offer and any contract resulting from the Condition in Section 9.6(1) generally or in relation to any specific occurrence by giving notice in writing to Exco declaring the Offer to be free from the Condition specified in accordance with section 650F of the Corporations Act. This

notice may be given not later than 3 business days after the end of the Offer Period.

- (2) If within 3 business days after the end of the Offer Period, the Condition in Section 9.6(1) has not been fulfilled and WHSP has not declared the Offer (or it has not become) free from the Condition all contracts resulting from the acceptance of the Offer will automatically void.

## 9.9 Notice of status of Condition

The date for giving the notice on the status of the Condition required by section 630(1) of the Corporations Act is [.] (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer is extended).

## 9.10 The Offerees

- (1) The Offer is being made to:
  - (a) each person registered as the holder of Exco Shares in the register of Exco shareholders at 7.00 pm (Sydney time) on the Record Date; and
  - (b) any person who becomes the registered holder of Exco Shares during the period commencing at 7.00 pm Sydney time on the Record Date and ending at the end of the Offer Period due to the vesting of Exco Performance Rights.
- (2) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of your Exco Shares, a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to:
  - (a) that other person in respect of those Exco Shares; and
  - (b) you in respect of any other Exco Shares you hold to which the Offer relates,
 and this Offer will be deemed to have been withdrawn immediately at that time.
- (3) If your Exco Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

## 9.11 Trustees and nominees

- (1) If you are registered as the holder of one or more parcels of Exco Shares as trustee or nominee for, or otherwise on account of, another person, section 653B of the Corporations Act will apply so that WHSP is taken to have made a separate and distinct offer to you for each distinct parcel of Exco Shares including any distinct parcel held in your own right. Acceptance by you of the Offer for any distinct parcel of Exco Shares is ineffective unless:
  - (a) you give WHSP notice in accordance with Section 9.11(2) stating that your Exco Shares consist of distinct parcels; and
  - (b) your acceptance specifies the number of Exco Shares in each distinct parcel to which the acceptance relates.



- (2) The notice required under Section 9.11(1)(a):
  - (a) if it relates to Exco Shares not in a CHESS Holding, must be in writing; or
  - (b) if it relates to Exco Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act.

## 9.12 Withdrawal of Offer

- (1) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions.
- (2) If the Offer is withdrawn, all contracts arising from its acceptance become void.

## 9.13 Variation of Offer

WHSP reserves the right to vary the Offer in accordance with the Corporations Act.

## 9.14 No stamp duty or brokerage

- (1) There will be no stamp duty payable by you on the transfer of your Exco Shares to WHSP.
- (2) As long as your Exco Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to WHSP, you will not incur brokerage in connection with your acceptance of the Offer.
- (3) If your Exco Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Exco Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or services charges in connection with acceptance of the Offer.

## 9.15 Broker Handling Fee

- (1) Subject to the terms below, if the Offer becomes or is declared unconditional, WHSP will pay a broker handling fee (**Broker Fee**) to market participants of ASX (**Brokers**) who initiate valid acceptances (**Acceptances**) of the Offer in respect of parcels of Shares held by retail shareholders of Exco. A retail shareholder of Exco is a shareholder who is not a Broker or an associate of a Broker and who holds less than \$500,000 worth of Exco Shares (as measured by the Offer consideration) as at the date of the acceptance.
- (2) The Broker Fee will be 0.75% of the consideration payable by WHSP under the Offer as a result of the Acceptance, subject to a maximum Broker Fee of A\$750 payable in respect of any Acceptance. WHSP also proposes to pay a minimum fee of A\$50 for each Acceptance. WHSP reserves the right to

aggregate any acceptances in determining the Broker Fees payable to any Broker if WHSP believes that a party or parties has/have structured holdings of Exco Shares to take advantage of the Broker Fee.

- (3) The Broker Fee is payable to Brokers only. No part of any Broker Fee may be passed on or paid to the accepting Exco shareholders. An acceptance of a Broker Fee by a Broker constitutes a representation that neither it, nor its associates, holds a relevant interest (within the meaning of those terms in the Corporations Act) in the Exco Shares and the Broker Fee will not be passed on or otherwise shared directly or indirectly with the accepting Exco shareholder.
- (4) If the Offer becomes free of the Condition, the Broker Fee will be payable to any Broker:
  - (a) who submits to the share registrar the share registrar's broker fee claim form (**Claim Form**) no later than 5.00 pm (Sydney time) on the day which is 5 Business Days after the end of the Offer Period. Claim Forms may be obtained from the share registrar by contacting Advanced Share Registry on +61 2 8096 3502; and
  - (b) whose original official stamp appears on the Acceptance Form or who, in respect of a CHESS Holding, produces evidence satisfactory to WHSP that it is the Controlling Participant who initiated the acceptance.
- (5) The Claim Form will provide specific details to Brokers on the manner in which claims must be made and where claims must be lodged.
- (6) Subject to the terms above, payment of the Broker Fee, in respect of a valid Acceptance will be made by cheque within 10 business days after the end of the Offer Period provided that the Offer becomes or is declared unconditional.
- (7) For any Exco shareholder on the CHESS subregister, where that shareholder directly requests WHSP (and not the relevant Broker) to initiate acceptance of the Offer on their behalf, that Broker will not be entitled to receive the Broker Fee.
- (8) No Broker Fees are payable in respect of Acceptances that are withdrawn. No Broker Fees are payable in respect of on market acquisitions of Exco Shares by WHSP.

## 9.16 Power of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under Sections 9.4(3)(d) and 9.4(3)(e).

## 9.17 Governing law

This Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales, Australia.

## Section 10

# Definitions and interpretation

## 10.1 Definitions

In this Bidder's Statement:

**Acceptance Form** means the acceptance form that accompanies the Offer;

**Announcement Date** means 23 August 2012;

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires;

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 624 691, the body which administers the CHESS system in Australia;

**ASX Settlement Operating Rules** means the settlement operating rules of ASX Settlement;

**Bidder's Statement** means this document and each schedule and annexure to it;

**Broker** means a member organisation admitted to participate in the CHESS under rule 2.1.1 of the ASX Settlement Operating Rules;

**CHESS** means the clearing house electronic sub-register system;

**CHESS Holding** means a number of Exco Shares which are on the CHESS subregister of Exco (being a register admitted by ASX Settlement and which records uncertified holdings of shares);

**Closing Date** means 7.00 pm on [•], unless the Offer is extended;

**Controlling Participant** means the Participant who is designated as the controlling participant for Exco Shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules (normally your broker);

**CopperChem** means CopperChem Limited ACN 130 641 691;

**Corporations Act** means the Corporations Act 2001;

**Condition** means the condition of the Offer set out in Section 9.6;

**Directors** means the directors of WHSP;

**Encumbrance** means

- (1) a mortgage, charge, lien, pledge, hypothecation or other encumbrance over the asset;
- (2) a profit a prendre, easement or restrictive covenant affecting the asset;
- (3) a caveat, garnishee order, writ of execution, right of set off, assignment by way of security, deposit of money by way of security or monetary claim affecting the asset;

- (4) a preferential interest, trust, title retention arrangement (other than in the ordinary course of business), or other estate, interest, claim or arrangement affecting the asset;

- (5) a right, including a contractual right, an option, a right of first refusal, a right of pre-emption or other right, to acquire the property or to restrain any person from acquiring the asset;

- (6) a right, including a lease, licence or other right, to occupy or use the asset; or

- (7) an agreement to grant, create or register any of them or to allow any of them to exist,

and whether the Encumbrance is registered or unregistered, statutory, legal or equitable.

**Exco** means Exco Resources Limited ABN 99 080 339 671;

**Exco Performance Rights** means the unlisted performance rights issued in accordance with the Exco Performance Rights Plan 2012;

**Exco Shares** means fully paid ordinary shares in Exco;

**Listing Rules** means the listing rules of ASX;

**Offer** means WHSP's offer to acquire Exco Shares set out in Section 9 of this Bidder's Statement;

**Offer Date** means [•];

**Offer Period** means the period commencing on the Offer Date and ending on the Closing Date;

**Offer Price** means \$0.19 cash per Exco Share;

**Participant** means an entity admitted to participate in CHESS under Rules 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules;

**Prescribed Occurrences** means the prescribed occurrences detailed in Section 9.6;

**Record Date** means 7.00 pm (Sydney time) on Monday, 27 August 2012;

**Rights** means all accreditations, rights and benefits of whatever kinds attaching or arising from Exco Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Exco or any of its subsidiaries);

**Section** means a section of this Bidder's Statement;

**Takeover Transferee Holding** has the same meaning as in the ASX Settlement Operating Rules;

**Target's Statement** means the target's statement to be issued by Exco in response to this Bidder's Statement in accordance with section 633(1) of the Corporations Act;

**Third Party Rights** means all Encumbrances or material adverse interests of any nature and restrictions on transfer of any nature (legal or otherwise); and

**VWAP** means volume weighted average trading price of Exco Shares on ASX;

**WHSP** means Washington H. Soul Pattinson and Company Limited ABN 49 000 002 728.

## 10.2 Interpretation

- (1) Reference to:
  - (a) words and phrases given a particular meaning in Chapter 6 of the Corporations Act have the same meaning in this Bidder's Statement, unless the context otherwise requires;
  - (b) one gender includes the others;
  - (c) the singular includes the plural and the plural includes the singular;
  - (d) a person includes a body corporate;
  - (e) a party includes the party's executors, administrators, successors and permitted assigns;
  - (f) a statute, regulation or provision of a statute or regulation (**Statutory Provision**) includes:
    - (i) that Statutory Provision as amended or re-enacted;
    - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
    - (iii) another regulation or other statutory instrument made or issued under that Statutory Provision;
  - (g) money is to Australian dollars, unless otherwise stated; and
  - (h) time is to Sydney time, unless otherwise stated.
- (2) "Including" and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Bidder's Statement.

## Section 11

# Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by all the directors of WHSP

Dated: 27 August 2012



**Robert D. Millner**  
*Director*

Washington H. Soul Pattinson and Company Limited

## Annexure A

# Announcements in relation to the Offer



WASHINGTON H SOUL PATTINSON  
AND COMPANY LIMITED

ABN: 49 000 002 728

Level 1, 160 Pitt Street Mall Sydney NSW 2000 Australia

GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

## 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  
+61 2 9232 7166

# 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.

## Annexure B

# Exco Announcements made since the announcement of its 2011 Annual Report (from 24 October 2011)

Date	Announcement Headline
23/08/2012	Response to WHSP Cash Offer
20/08/2012	Mount Colin Drilling Update – Amended
20/08/2012	Mount Colin Drilling Update
20/08/2012	Kangaroo Rat Project Update
06/08/2012	Wallace South Exploration Update
01/08/2012	Notice of initial substantial holder from IFL
24/07/2012	Fourth Quarter Activities and Cash Flow Report
19/07/2012	Great Australia Royalty – Update
03/07/2012	Appointment of Director – Appendix 3X
03/07/2012	Resignation of Director – Appendix 3Z
03/07/2012	Director Appointment/Resignation
26/06/2012	Salebury Exploration Update
29/05/2012	International Roadshow Presentation
17/05/2012	Appendix 3Y – Additional disclosure
17/05/2012	Change in Director's Interests – Appendix 3Y
30/04/2012	Third Quarter Activities and Cashflow Report
23/04/2012	Resources Roadshow Presentation
20/04/2012	Queensland Exploration Update
30/03/2012	Issue of Performance Rights and Appendix 3B
30/03/2012	BRR Broadcast – Exploration Results and NW Field programme
28/03/2012	Kangaroo Rat – Resource Upgrade
23/03/2012	Further Positive Results at Salebury
22/03/2012	Open Briefing – MD on Exploration Programme and Outlook
15/03/2012	Half Year Report and Accounts – December 2011
02/03/2012	SandP Indices Announces March Quarterly Rebalance

Date	Announcement Headline
24/02/2012	Receipt of ATO Class Ruling
13/02/2012	Hazel Creek Exploration Update
06/02/2012	Exploration Update – Cloncurry Project
31/01/2012	Second Quarter Activities and Cashflow Report
12/01/2012	Boardroom Radio Broadcast – Vertigo Development
11/01/2012	Appendix 3X – Statement of Initial Shareholding
10/01/2012	Vertigo project to be developed
10/01/2012	Appointment of Managing Director
12/12/2011	Exploration Update
12/12/2011	Payment of Dividend – Update
09/12/2011	\$135m Distribution Completed
28/11/2011	Exercise of Options and Appendix 3B
28/11/2011	Boardroom Radio Broadcast of AGM Presentation
24/11/2011	Acting CEO presentation to Annual General Meeting
24/11/2011	Results from Annual General Meeting and Distribution details
31/10/2011	First Quarter Activities and Cash Flow Reports
31/10/2011	First Quarter Activities and Cash Flow Reports
25/10/2011	CEO Presentation to 2011 Mining Resources Convention







**Washington H. Soul Pattinson and Company Limited**

ABN 49 000 002 728

Level 1, 160 Pitt Street, Sydney NSW 2000

T: +61 2 9232 7166 F: +61 2 92351747

[www.whsp.com.au](http://www.whsp.com.au)

# ACCEPTANCE FORM



ABN 99 080 339 671  
Level 2 8 Colin Street, West Perth WA 6005  
Tel: (08) 9211 2000 Fax: (08) 9211 2001



ABN 14 127 175 946  
PO BOX 1156 Nedlands WA 6909  
150 Stirling Hwy Nedlands WA 6009  
Tel: (08) 9389 8033 Fax: (08) 9389 7871



1001 EXS- 400100389

EXAMPLE HOLDINGS PTY LTD  
EXAMPLE STREET  
EXAMPLETOWN WA 6000

SUB-REGISTER	CHESS
HIN / SRN	512345
NO. OF EXS SHARES	100,000
CONSIDERATION	\$19,000.00

## Acceptance Form

### 1. For Issuer Sponsored Holdings

If your EXS Shares are in an Issuer Sponsored Holding (check your details above if your SRN/HIN begins with an "I" this indicates that your EXS Shares are held on the issuer sponsored subregister), or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your EXS Shares, to accept this Offer you must sign in the box below and return this form.

### 2. For CHESS Holdings

If your EXS Shares are held on the CHESS Subregister, to accept this Offer you can either:

- Contact your Controlling Participant - normally your broker (if you do that, you do not need to return this form); OR
- If you want us to contact your broker on your behalf, write their details here.

(Broker details for CHESS Subregister only)

Broker's name:

Broker's Address:

## AND

**sign in the box below and return this form.** You must ensure that this form is received by us in sufficient time before the end of the Offer Period to enable us to instruct your Controlling Participant to effect acceptance of the Offer on CHESS during business hours

By signing in the box below you accept the Offer on the terms of the Offer and you acknowledge the effect of your acceptance as set out in section 9.4 of the Bidder's Statement. If you have a CHESS Holding, you authorise us to give instructions to your Controlling Participant in accordance with sections 9.3 of the Bidder's Statement.

If you sign this form under a power of attorney, you must send a certified copy of the power of attorney with this form. For a deceased estate, all the executors and administrators must sign and they must send the probate or letters of administration with this form. In this Acceptance Form "us" refers to Washington H. Soul Pattinson and Company Limited.

If you have recently bought or sold any EXS Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of EXS Shares shown as your registered holding on the front of this form to the number of EXS Shares you now hold (including any EXS Shares of which you are entitled to become registered as holder), initial the alteration and indicate the name of the stockbroker who acted for you.

**Individual or joint shareholders each shareholder must sign**

**Companies- companies may execute this in any way allowed by law (affix seal if required)**

**Individual or Securityholder 1**

**Sole Director and Sole Secretary**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

Date: \_\_\_\_\_

Please provide a business hours telephone number so that we can contact you if necessary

Telephone No:

Email:

You must complete, sign and return this Acceptance Form to the following address BEFORE the Offer closes.

Advanced Share Registry Services  
PO BOX 1156  
Nedlands WA 6909

### Privacy collection statement

Personal information is collected on this form by Washington H. Soul Pattinson and Company Limited and its agent, Advanced Share Registry Services, in connection with the Offer. Washington H. Soul Pattinson and Company Limited will share this information with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. Washington H. Soul Pattinson and Company Limited, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer.