

May 2007

# Investor Meetings

## Financial and Operations Review



EXCO Resources, Inc.



# **EXCO Resources, Inc.**

## **EXCO Roadshow Team**

- **Doug Miller - Chairman & CEO**
- **Steve Smith - Vice Chairman & President**
- **Hal Hickey - Vice President & COO**
- **Paul Rudnicki - Vice President**





# EXCO Resources, Inc.

## Forward Looking Statements

This presentation contains forward-looking statements, as defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. These forward-looking statements relate to, among other things, the following:

- our future financial and operating performance and results;
- our business strategy;
- market prices;
- our future commodity price risk management activities; and
- our plans and forecasts.

We have based these forward-looking statements on our current assumptions, expectations and projections about future events.

We use the words "may," "expect," "anticipate," "estimate," "believe," "continue," "intend," "plan," "budget" and other similar words to identify forward-looking statements. You should read statements that contain these words carefully because they discuss future expectations, contain projections of results of operations or of our financial condition and/or state other "forward-looking" information. We do not undertake any obligation to update or revise publicly any forward-looking statements, except as required by law. These statements also involve risks and uncertainties that could cause our actual results or financial condition to materially differ from our expectations in this presentation, including, but not limited to:

- fluctuations in prices of oil and natural gas;
- future capital requirements and availability of financing;
- estimates of reserves;
- geological concentration of our reserves;
- risks associated with drilling and operating wells;
- risks associated with operation of natural gas pipelines and gathering systems;
- discovery, acquisition, development and replacement of oil and natural gas reserves;
- cash flow and liquidity;
- timing and amount of future production of oil and natural gas;
- availability of drilling and production equipment;
- marketing of oil and natural gas;
- developments in oil-producing and natural gas-producing countries;
- competition;
- litigation;
- general economic conditions;
- governmental regulations;
- receipt of amounts owed to us by purchasers of our production and counterparties to our commodity price risk management contracts;
- hedging decisions, including whether or not to enter into derivative financial instruments;
- actions of third party co-owners of interests in properties in which we also own an interest;
- fluctuations in interest rates; and
- our ability to effectively integrate companies and properties that we acquire.





# EXCO Resources, Inc.

## Forward Looking Statements (continued)

We believe that it is important to communicate our expectations of future performance to our investors. However, events may occur in the future that we are unable to accurately predict, or over which we have no control. You are cautioned not to place undue reliance on a forward-looking statement. When considering our forward-looking statements, keep in mind the risk factors and other cautionary statements in this presentation, and the risk factors included in the Annual Report on Form 10-K for the year ended December 31, 2006.

Our revenues, operating results, financial condition and ability to borrow funds or obtain additional capital depend substantially on prevailing prices for oil and natural gas. Declines in oil or natural gas prices may materially adversely affect our financial condition, liquidity, ability to obtain financing and operating results. Lower oil or natural gas prices also may reduce the amount of oil or natural gas that we can produce economically. A decline in oil and/or natural gas prices could have a material adverse effect on the estimated value and estimated quantities of our oil and natural gas reserves, our ability to fund our operations and our financial condition, cash flow, results of operations and access to capital. Historically, oil and natural gas prices and markets have been volatile, with prices fluctuating widely, and they are likely to continue to be volatile.

The SEC has generally permitted oil and natural gas companies, in filings made with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use the terms “probable,” “possible,” “potential,” “unproved,” or “developing potential, to describe volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the company. While we believe our calculations of unproved drillsites and estimation of unproved reserves have been appropriately risked and are reasonable, such calculations and estimates have not been reviewed by third party engineers or appraisers. Investors are urged to consider closely the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2006 available on our website at [www.excoresources.com](http://www.excoresources.com) under the Investor Relations tab or by calling us at 214-368-2084.





# EXCO Resources, Inc.

## Corporate Overview

- **44% Equity IRR since 1998**
  - Acquire, then develop and exploit
  - Target 50% of EBITDA for capital spending
  - Free cash flow to fund additional acquisitions and paydown debt
- **\$5.8 billion of Enterprise Value**
  - \$1.8 billion market cap
  - \$2.0 billion convertible preferred at \$19 per share
  - \$2.0 billion of debt
- **4.0 Tcfe of total reserves<sup>(1)</sup>**
  - 2.0 Tcfe of proved reserves
  - 2.0 Tcfe of probable and possible reserves
  - 400 Mmcfe/d current production
- **Additional 1.7 Tcfe of developing potential**
- **1.5 million net acres**
  - 5,387 identified drilling locations
  - 1,005 identified exploitation projects

1) All proved reserves in the presentation are based on year-end SEC pricing adjusted for acquisitions and dispositions based on closing dates and acquisition pricing



# EXCO Resources, Inc.

## Historical Rate of Return Summary

|   |      |
|---|------|
| <b>From first EXCO public equity raise - 8/12/98:</b> |      |
| To stock price at year end 2001                       | 36%  |
| To go-private transaction - 7/29/2003                 | 25%  |
| <b>From go private transaction - 7/29/2003:</b>       |      |
| To equity restructuring - 10/03/05                    | 77%  |
| To XCO initial public offering - 2/13/06              | 102% |
| <b>From equity restructuring - 10/03/05:</b>          |      |
| To current stock price - 5/11/07                      | 67%  |
| <b>From initial public offering - 2/08/06:</b>        |      |
| To current stock price - 5/11/07                      | 24%  |
| <b>From first EXCO public equity raise - 8/12/98:</b> |      |
| To current stock price - 5/11/07                      | 44%  |



# EXCO Resources, Inc.

## Key Investment Highlights

- **High-quality asset base in established basins**
  - Onshore, North American natural gas focus in basins with established production histories
  - Proved reserve life of 13 years
- **Multi-year development drilling and exploitation project inventory**
  - Over 5,000 development drilling locations (577 planned in 2007)
  - Over 1,000 exploitation projects (97 planned in 2007)
- **Successful acquisition and operations track record**
  - Substantially grown reserves, production and cash flow during all cycles
  - Completed over \$4.3 billion of transactions representing 2.4 Tcfe of proved reserves since 1998<sup>(1)</sup>
  - 98% drilling success rate (2004 – 2006)
  - Operate 90% of properties; allows control of costs / timing
- **Experienced management team with significant insider ownership**
  - Average 20+ years of public/private experience
  - Management and ALL employees own 15.2% of shares on a fully diluted basis<sup>(2)</sup>
  - Outside board members own 23.6% of shares on a fully diluted basis<sup>(2)</sup>
  - Focus on equity returns with strong track record

1) \$4.3 billion of proved reserve value

2) Excluding the effects of convertible preferred stock



# EXCO Resources, Inc.

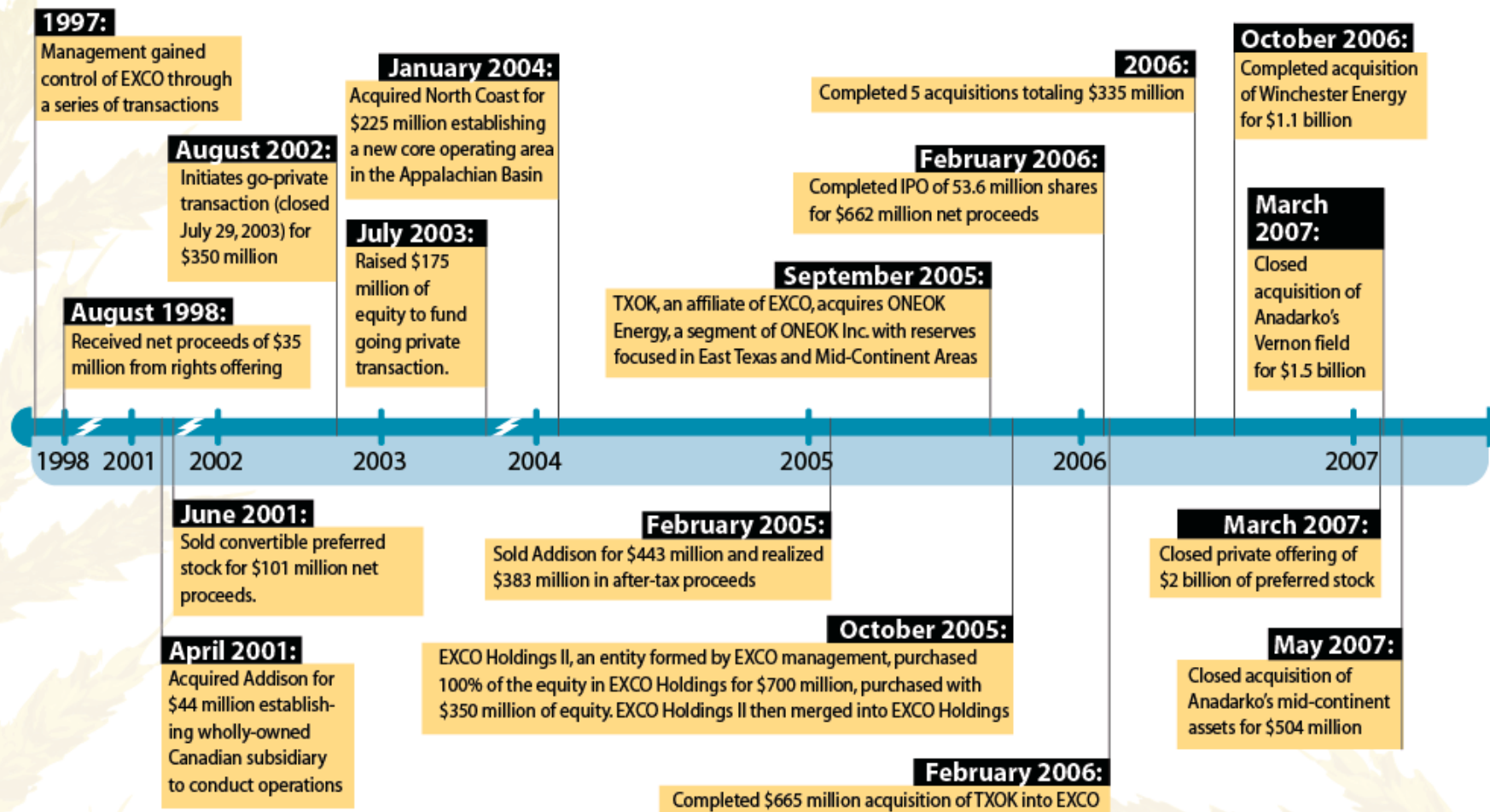
## Business Strategy

- **Acquire, then develop and exploit**
  - Asset acquisition profile:
    - Long-life reserves
    - Low-risk repeatable drilling and exploitation projects
    - Consolidation opportunities in area
    - Attractive basis to NYMEX
  - Proper assets allow for proper leverage
    - Long-life with appropriate hedging creates 20%+ equity returns on acquisitions
  - Areas where assets fit acquisition profile:

|                  | Appalachia     | East Texas     | Mid-Continent  | Permian        |
|------------------|----------------|----------------|----------------|----------------|
| PDP R/P, years   | 20+            | 10+            | 10+            | 10+            |
| Drilling Success | 99%            | 95%            | 95%            | 95%            |
| Operators        | 3,100          | 1,000          | 5,300          | 1,600          |
| NYMEX, \$        | +0.30 to +0.80 | -0.25 to -0.35 | -0.60 to -0.80 | -0.40 to -0.60 |

# EXCO Resources, Inc.

## History and Transactions

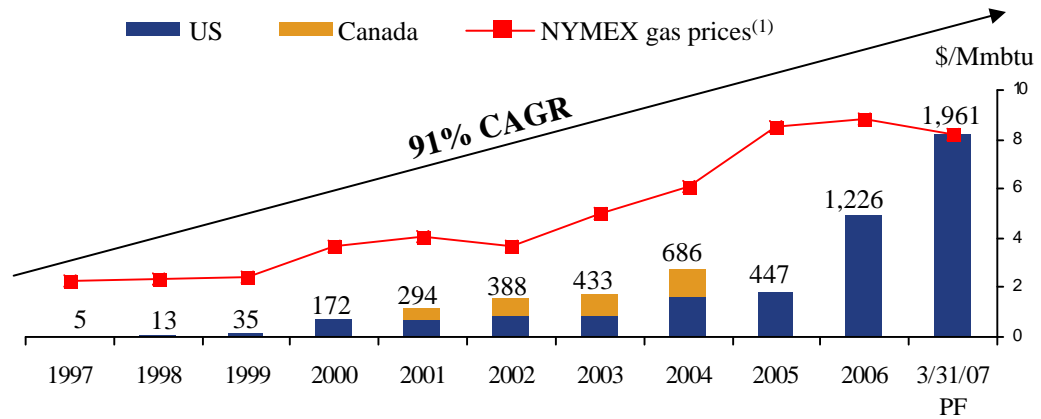


# EXCO Resources, Inc.

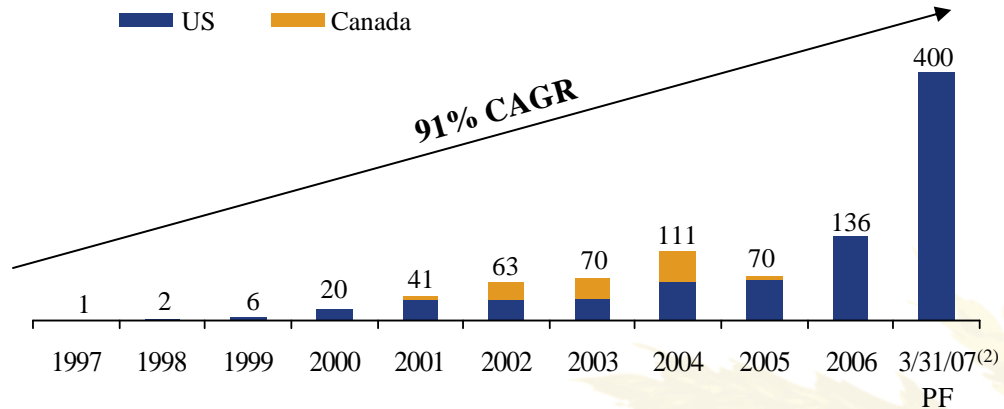
## History of low cost, low risk reserve and production growth during all cycles

- Growth through acquisitions and the drill-bit
- Drilling success rate of 98% (3-year weighted average)
- All-in F&D cost of \$1.99/Mcfe (3-year weighted average)

Total proved reserves (Bcfe)



Daily production (Mmcfe/d)



1) Historic average of the 24-month NYMEX future strip

2) Average daily production rate for March 2007



# EXCO Resources, Inc.

## Per Share Growth

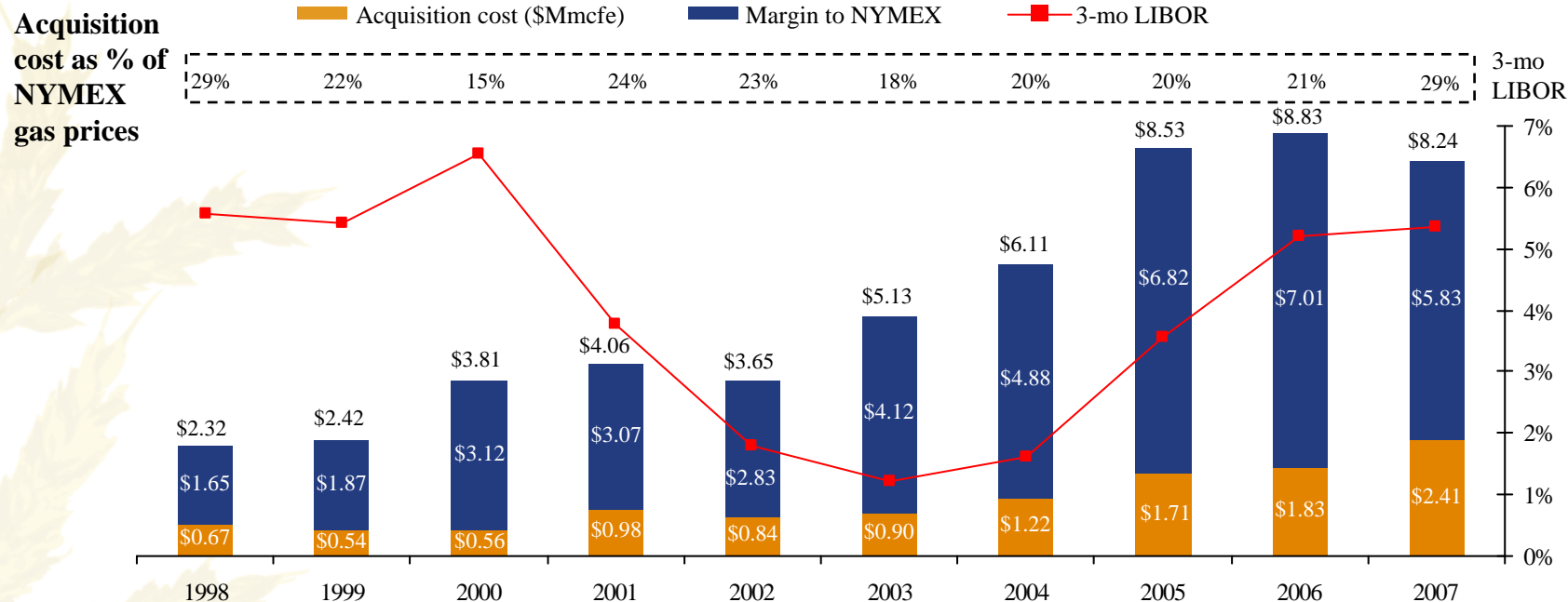
|  | Pro forma                    |                              | % Growth |
|--|------------------------------|------------------------------|----------|
|  | 1 <sup>st</sup> Quarter 2006 | 1 <sup>st</sup> Quarter 2007 |          |
| Proved reserves – Bcfe                                     | 668                          | 1,961                        | 194      |
| Probable and possible reserves – Bcfe                      | 244                          | 2,020                        | 728      |
| Total reserves – Bcfe                                      | 912                          | 3,981                        | 337      |
| Daily production – Mmcf/d                                  | 113.5                        | 400.0                        | 252      |
| Pipeline and other assets – Millions                       | \$ 54                        | \$ 214                       | 515      |
| Total net debt – Millions                                  | \$ 518                       | \$ 1,926                     | 272      |
| Fully diluted shares outstanding – Millions                | 106                          | 211                          | 99       |
| Debt adjusted shares outstanding <sup>(1)</sup> – Millions | 146                          | 324                          | 122      |
| Per debt adjusted shares outstanding:                      |                              |                              |          |
| Proved reserves – Mcfe                                     | 4.6                          | 6.1                          | 32       |
| Probable and possible reserves – Mcfe                      | 1.7                          | 6.2                          | 273      |
| Total reserves – Bcfe                                      | 6.3                          | 12.3                         | 97       |
| Daily production – Cubic feet per day                      | 0.8                          | 1.2                          | 59       |

1) Debt adjusted shares outstanding equals fully diluted shares outstanding plus additional shares assumed to be issued in order to pay off total net debt. The number of shares issued is determined by taking total net debt and dividing by the then current market prices of \$13.00 and \$17.10 respectively for the quarters shown. Total net debt is net of the book values of our pipelines and other assets.



# EXCO Resources, Inc.

## Acquisition Economics are Driven by Market Conditions



|       | Acquisition cost (\$ millions) <sup>(1)</sup> | Reserves acquired (Bcfe) <sup>(2)</sup> | Acquisition cost (\$/Mcf) <sup>(3)</sup> | NYMEX gas prices <sup>(4)</sup> | Acquisition cost as % of NYMEX | Margin (\$/Mcf) | 3-mo LIBOR <sup>(5)</sup> |
|-------|---|---|--|---------------------------------|--------------------------------|-----------------|---------------------------|
| 1998  | \$ 13.0                                       | 19.5                                    | \$ 0.67                                  | \$ 2.32                         | 29%                            | \$ 1.65         | 5.56%                     |
| 1999  | 23.5  | 43.2                                    | 0.54                                     | 2.43                            | 22%                            | 1.88            | 5.42%                     |
| 2000  | 68.4  | 123.1                                   | 0.56                                     | 3.67                            | 15%                            | 3.12            | 6.54%                     |
| 2001  | 115.2   | 117.7                                   | 0.98                                     | 4.04                            | 24%                            | 3.07            | 3.78%                     |
| 2002  | 55.9  | 66.9                                    | 0.84                                     | 3.67                            | 23%                            | 2.83            | 1.79%                     |
| 2003  | 31.5  | 35.0                                    | 0.90                                     | 5.02                            | 18%                            | 4.12            | 1.21%                     |
| 2004  | 308.7   | 252.3                                   | 1.22                                     | 6.11                            | 20%                            | 4.88            | 1.62%                     |
| 2005  | 102.8   | 60.1                                    | 1.71                                     | 8.53                            | 20%                            | 6.82            | 3.57%                     |
| 2006  | 1,416.8                                       | 776.1                                   | 1.83                                     | 8.83                            | 21%                            | 7.01            | 5.20%                     |
| 2007  | 2,182.3                                       | 906.6                                   | 2.41                                     | 8.24                            | 29%                            | 5.83            | 5.36%                     |
| Total | \$ 4,318.1                                    | 2,400.6                                 | \$ 1.80                                  |                                 |                                |                 |                           |

1) Acquisition cost allocated to proved reserves  
 2) Estimated proved reserves at the time of acquisition  
 3) Acquisition cost allocated to proved reserves divided by proved reserves at the time of acquisition  
 4) Historic average of the 24-month NYMEX future strip  
 5) Historic average of 3-month LIBOR yield

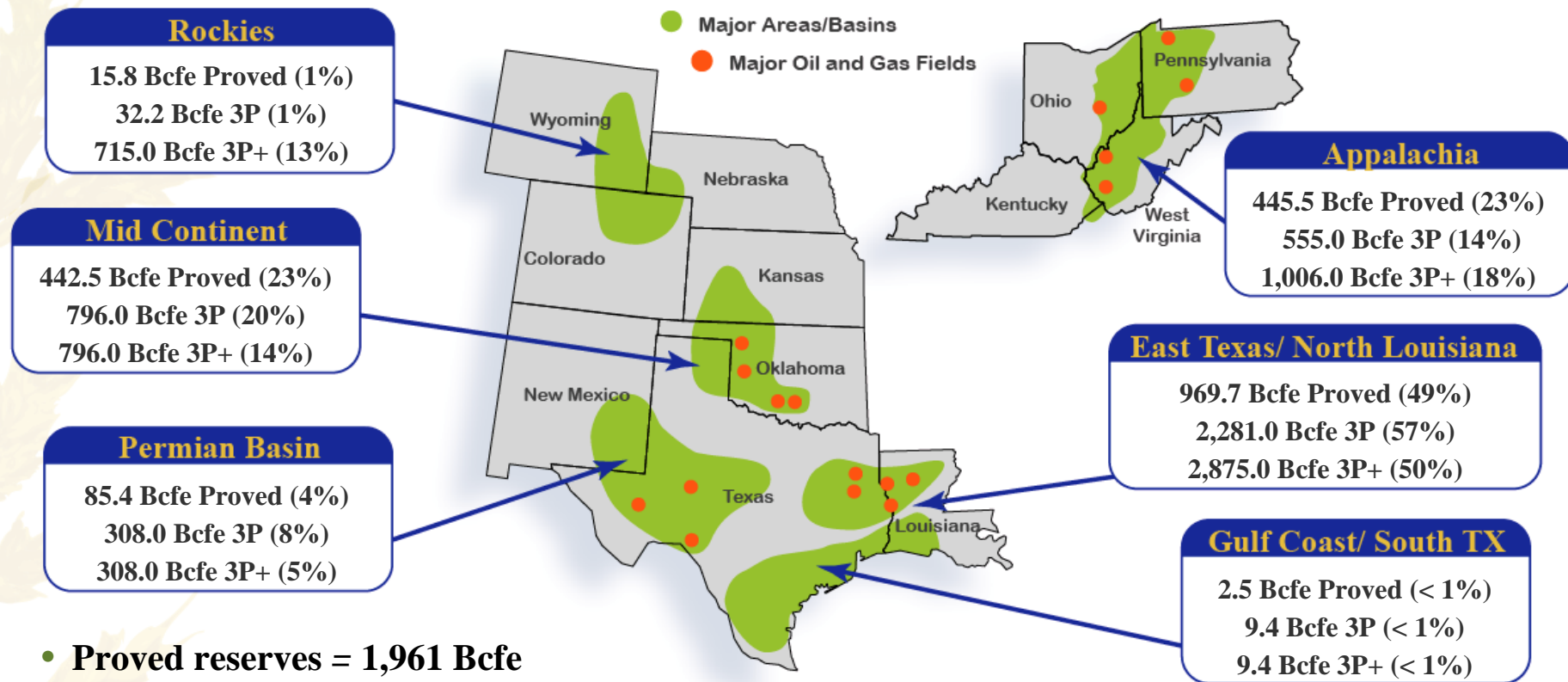


## Disciplined Approach to Acquisitions

- **Well established acquisition strategy and evaluation framework**
  - Extensive engineering of producing properties
  - Evaluation of development project locations
  - Identification of future consolidation opportunities
- **Comprehensive approach to transaction funding**
  - Hedge producing volumes when using debt
  - Minimize cost of debt financing
  - Apply free cash flow from existing assets for equity component
- **Summary of activity since 1998**
  - Over 140 acquisitions
  - 2.4 Tcfe of proved reserves
  - \$4.3 billion total proved reserve value
- **Current activity**
  - Evaluating over 20 transactions ranging from \$5 million to over \$1 billion
  - Various stages of evaluation

# EXCO Resources, Inc.

## Reserve Base



- Proved reserves = 1,961 Bcfe
- 3P reserves = 3,981 Bcfe
- 3P + Potential reserves = 5,709 Bcfe



# EXCO Resources, Inc.

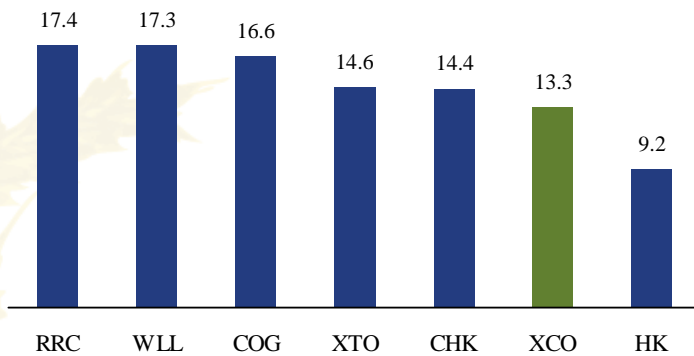
## Net Asset Value Summary

| In millions, except per share and per unit | Low            | High           |
|--|----------------|----------------|
| Proved Reserves                            |                |                |
| 2.0 Tcfe at \$2.50 to \$3.00 per Mcfe      | \$5,000        | \$6,000        |
| Probable and Possible Reserves             |                |                |
| 2.0 Tcfe at \$0.50 to \$0.75 per Mcfe      | 1,000          | 1,500          |
| Pipelines and other assets at book value   | <u>350</u>     | <u>350</u>     |
| <b>Total Asset Value</b>                   | <b>\$6,350</b> | <b>\$7,850</b> |
| Less:                                      |                |                |
| Long-term debt                             | <u>\$1,920</u> | <u>\$1,920</u> |
| Equity Value                               | 4,430          | 5,930          |
| Fully diluted shares                       | 211            | 211            |
| <b>NAV per Share</b>                       | <b>\$21.00</b> | <b>\$28.10</b> |

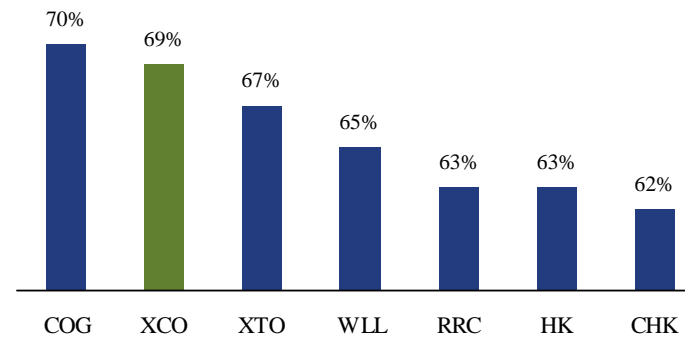
# EXCO Resources, Inc.

## Peer Operational and Financial Profile

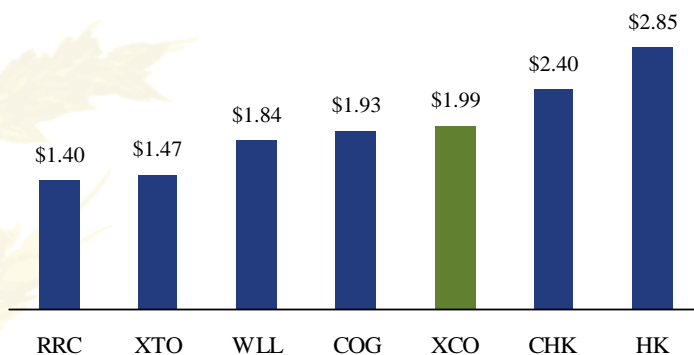
Proved Reserves/Q1 2007 Daily Production Annualized<sup>1</sup>



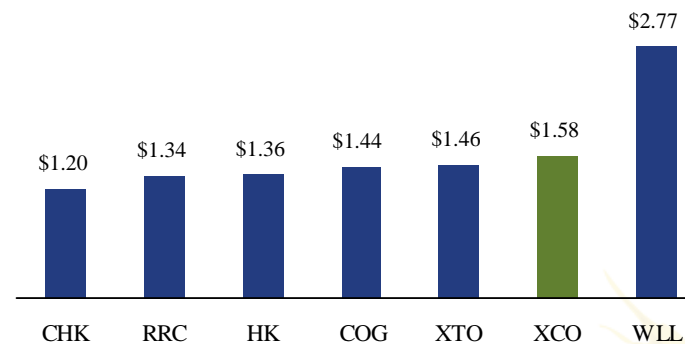
% PD<sup>2</sup>



All-in F&D / Mcfe<sup>3</sup>



Production costs<sup>4</sup> / Mcfe



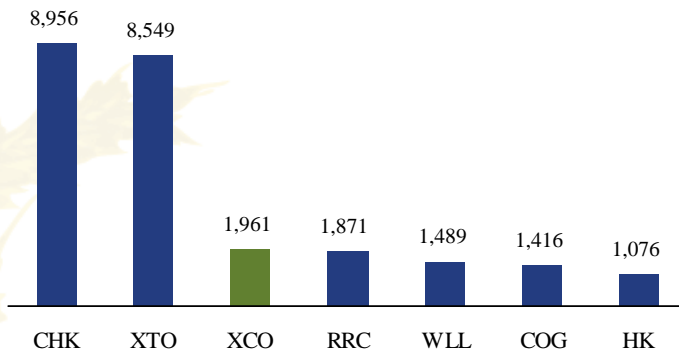
- 1) Peer reserves as of 12/31/06 and production based on most recently filed quarterly run-rate, both pro forma for announced acquisitions and dispositions
- 2) Peer data as of 12/31/06 per 2006 10-K; EXCO pro forma for closed acquisitions and dispositions
- 3) 2004-2006 all-in F&D; peer data per 2006 10-K
- 4) As of 3/31/07 from peers first quarter 2007 report or company press releases regarding first quarter 2007 results; EXCO based on average of high and low projections for 2007 2nd quarter guidance



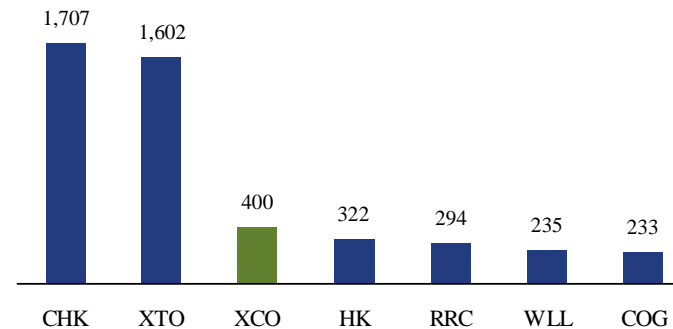
# EXCO Resources, Inc.

## Peer Operational and Financial Profile

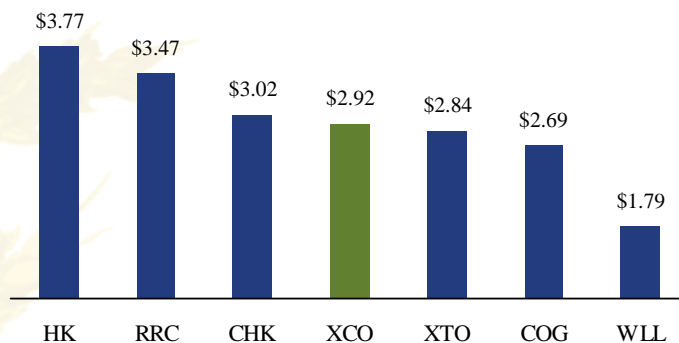
Proved Reserves Pro Forma (Bcfe)<sup>1</sup>



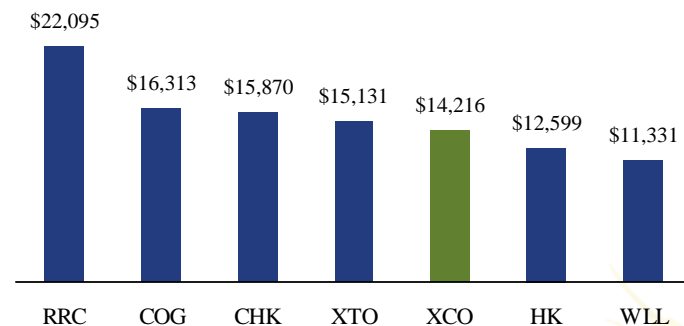
Q1 2007 Daily Production (Mmcfe)<sup>2</sup>



Enterprise Value / Current Proved Reserves<sup>3</sup>



Enterprise Value / Q1 2007 Daily Production<sup>4</sup>



1) Peer reserves as of 12/31/06 and adjusted based on acquisitions and dispositions since 12/31/06

2) Peer daily production as of 3/31/07 per first quarter 2007 report and adjustments made based on announced acquisitions and dispositions not captured as of 3/31/07

3) Enterprise value based on first quarter 2007 & stock price as of 5-10-07, and current proved reserves from first quarter 2007 and taking into account acquisitions and divestitures of publicly available information

4) See footnotes two and three for discussions on the calculation of enterprise value and Q1 2007 Daily Production





# Overview of Recent Events



EXCO Resources, Inc.



# EXCO Resources, Inc.

## Transactions Overview

### Vernon and Southern Gas

- **Preliminary purchase price allocation:**
  - \$1.8 billion to proved reserves
  - \$60 million to unproved reserves and acreage
  - \$135 million to associated gathering assets
- **Reserves evaluated**
  - 793 Bcfe of proved reserves
  - 81% proved developed
  - 154 Bcfe of probable and possible reserves
- **Purchase price metrics**
  - \$2.27 per proved Mcfe
  - \$2.64 per proved Mcfe including future development capital
  - \$1.96 per Mcfe for proved, probable and possible reserves
  - \$2.63 per Mcfe for all reserves including all future development capital
- **Assumed hedges Anadarko entered into in December 2006 and January 2007 on our behalf at near current market prices**
- **Financing for transactions:**
  - EXCO closed a \$2.0 billion private placement of its Preferred Stock
  - EXCO Partners' subsidiary, EXCO Partners Operating Partnership, LP ("EPOP"), entered into an Amended and Restated Credit Agreement with initial borrowing base of \$1.3 billion
  - EXCO entered into an Amended & Restated Credit Agreement with initial borrowing base of \$900 million





# EXCO Resources, Inc.

## Preferred Stock

### Overview

- **On March 30, 2007, EXCO issued \$2.0 billion of Preferred Stock**
  - \$390.0 million of 7% Cumulative Convertible Perpetual Preferred Stock
    - Convertible into EXCO Common Stock at \$19.00 per share
    - Four board seats (two on March 30, 2007, two more upon receipt of shareholder approval necessary to remove certain restrictions contained in Hybrid Preferred to become Convertible Preferred)
    - 7% cash pay dividend or 9% if added to liquidation preference (9% cash dividend only after March 30, 2013)
    - Forced call if Common Stock price over 20 trading day period exceeds;
      - \$33.25 per share through March 2009
      - \$28.50 per share from March 2009 through March 2011, and
      - \$23.75 per share any time after March 2011
    - Vote with Common Stock on as converted basis on matters other than election of directors
  - \$1.61 billion of Hybrid Preferred Stock
    - Not convertible until shareholder approval obtained
    - 11% dividend until shareholder approval
    - After shareholder approval, dividend, voting and other rights same as 7% Convertible Preferred Stock

# EXCO Resources, Inc.

## Capitalization

| May 8, 2007                          |                 |                 |                 |
|--------------------------------------|-----------------|-----------------|-----------------|
| Dollars in Millions                  | EXCO            | EXCO Partners   | Consolidated    |
| Cash                                 | \$ 3            | \$ 25           | \$ 28           |
| R/C Facility                         | \$ 394          | \$ 1,115        | \$ 1,509        |
| Senior Notes due 2011 <sup>(1)</sup> | 445             | -               | 445             |
| <b>Total Debt</b>                    | <b>\$ 839</b>   | <b>\$ 1,115</b> | <b>\$ 1,954</b> |
| Convertible Preferred Stock          | 389             | -               | 389             |
| Straight Preferred Stock             | 1,604           | -               | 1,604           |
| Common Equity                        | 1,094           | 1,992           | 1,094           |
| <b>Total Equity</b>                  | <b>\$ 3,087</b> | <b>\$ 1,992</b> | <b>\$ 3,087</b> |
| <b>Total Capitalization</b>          | <b>\$ 3,926</b> | <b>\$ 3,107</b> | <b>\$ 5,041</b> |

1) Does not include unamortized bond premium

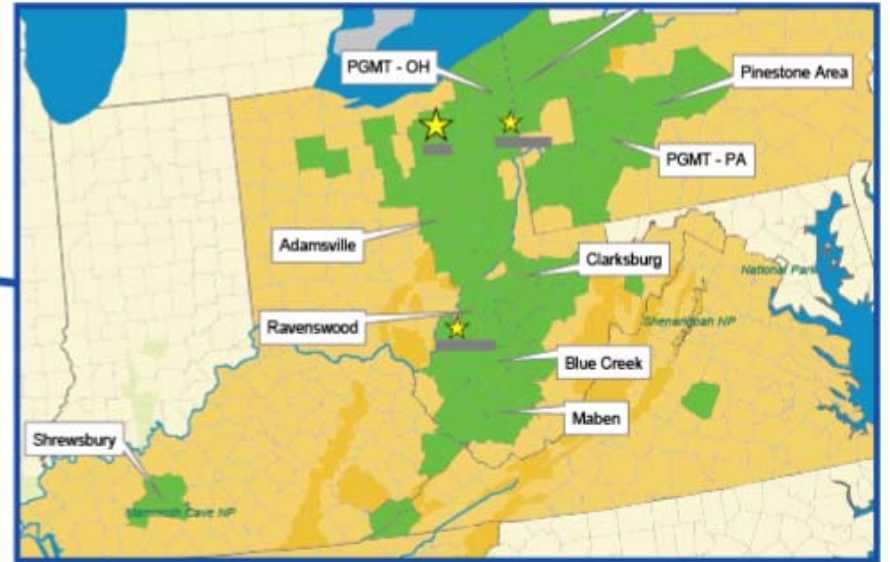
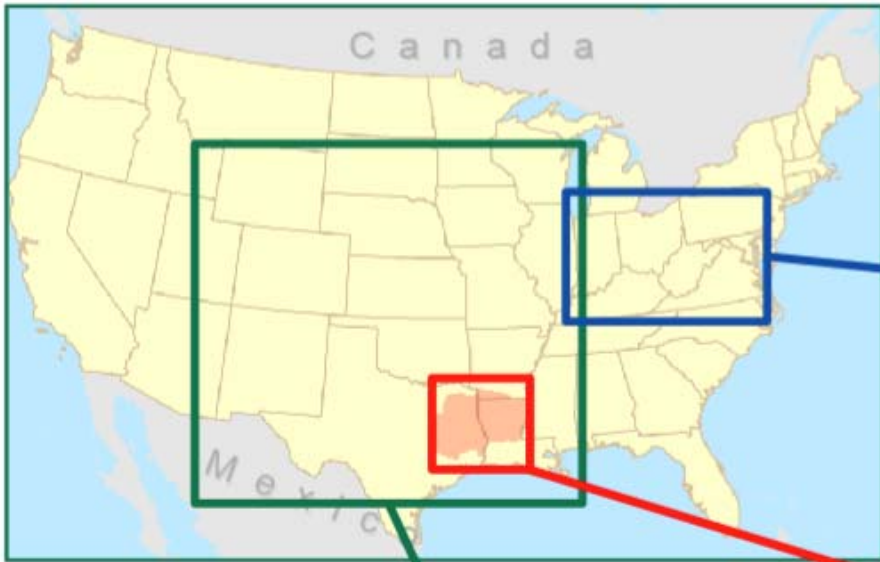




# Regional Overviews



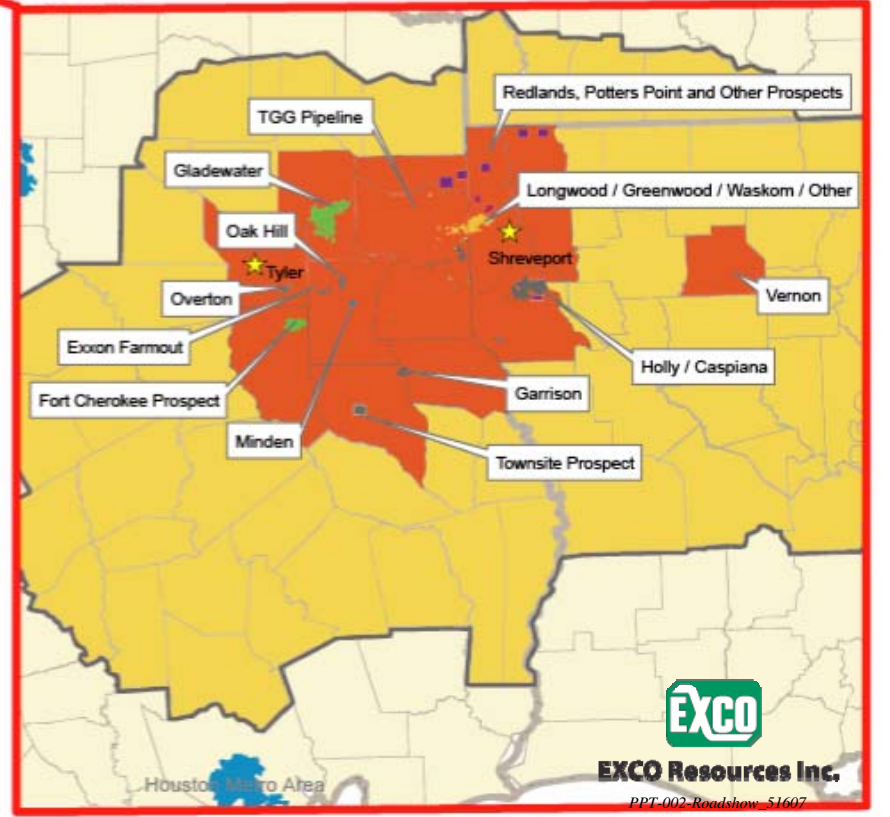
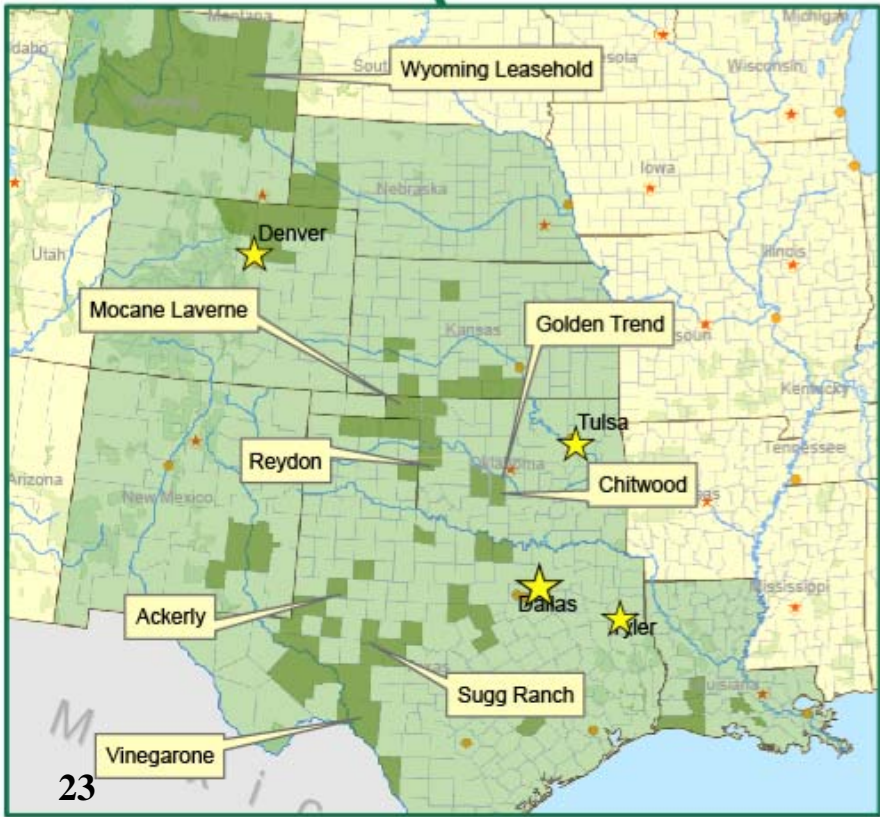
EXCO Resources, Inc.



North Coast Energy

EXCO Partners LP

EXCO Resources, Inc



EXCO Resources Inc.

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# EXCO Resources, Inc.

## Long reserve life and multi-year project inventory across all regions

|   | Appalachia   | East Texas   | Mid-Continent | Permian    | Other      | Total        |
|---|--------------|--------------|---------------|------------|------------|--------------|
| <b>Asset summary:</b>   |              |              |               |            |            |              |
| Proved Reserves (Bcfe)  | 445          | 970          | 443           | 85         | 18         | 1961         |
| Probable Reserves   | 45           | 520          | 36            | 102        | 9          | 712          |
| Possible Reserves   | 65           | 791          | 317           | 121        | 14         | 1,308        |
| <b>Total Reserves</b>   | <b>555</b>   | <b>2,281</b> | <b>796</b>    | <b>308</b> | <b>41</b>  | <b>3,981</b> |
| Potential   | 451          | 594          | -             | -          | 683        | 1,728        |
| <b>Total Reserves + Potential</b>                                     | <b>1,006</b> | <b>2,875</b> | <b>796</b>    | <b>308</b> | <b>724</b> | <b>5,709</b> |
| <b>Reserve life and production:</b>                                   |              |              |               |            |            |              |
| Reserve life <sup>(1)</sup> (years)                                   | 28           | 10           | 16            | 13         | 16         | 13           |
| Production (Mmcfe/d)  | 43           | 260          | 76            | 18         | 3          | 400          |
| <b>Project summary:</b>   |              |              |               |            |            |              |
| Net acreage (thousands)   | 817          | 226          | 312           | 35         | 152        | 1,542        |
| Drilling locations (total / 2007E)                                    | 3,157/271    | 1,108/169    | 377/42        | 740/95     | 5/0        | 5,387/577    |
| Exploitation projects (total / 2007E)                                 | 54/44        | 641/39       | 222/10        | 47/4       | 41/0       | 1,005/97     |
| 2007 Drilling and Exploitation <sup>(2)</sup><br>Budget (\$ millions) | 70           | 308          | 33            | 31         | 1          | 443          |

1) Reserve life based on proved reserves

2) Mid Stream and IT capital not included; includes operations and other capital



# EXCO Resources, Inc.

## Current Daily Production

May 2007

|                         | <b>Oil<br/>Bbls</b> | <b>Gas<br/>Mmcf</b> | <b>Equivalent<br/>Mmcfe</b> |
|-------------------------|---------------------|---------------------|-----------------------------|
| E. Texas / N. Louisiana | 1,070               | 254                 | 260                         |
| Appalachia              | 412                 | 41                  | 43                          |
| Mid-Continent           | 2,683               | 60                  | 76                          |
| Permian                 | 647                 | 14                  | 18                          |
| Rockies                 | 94                  | 1                   | 2                           |
| Miscellaneous           | 42                  | 1                   | 1                           |
| <b>Sub-Total</b>        | <b>4,948</b>        | <b>371</b>          | <b>400</b>                  |



# EXCO Resources, Inc.

## Pro Forma Consolidated Reserves as of January 1, 2007

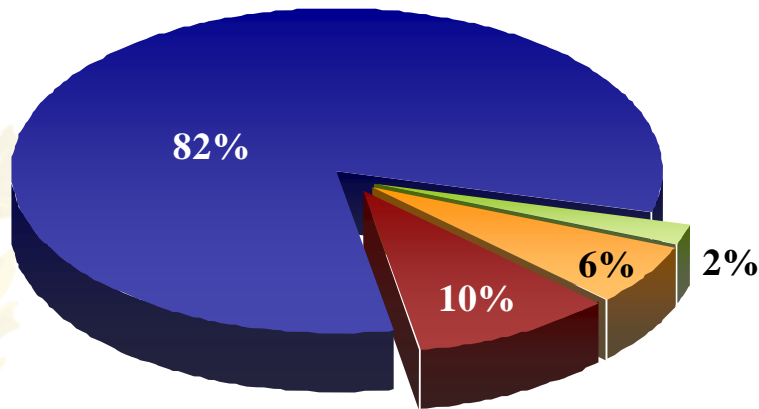
| EXCO Consolidated                 | Net Oil<br>Mbbls | Net Gas<br>Mmcf  | Net NGL<br>Mbbls | Net Mmcfe        | % Gas     | % Proved   |
|-----------------------------------|------------------|------------------|------------------|------------------|-----------|------------|
| PDP                               | 14,578           | 1,176,356        | 146              | 1,264,700        | 93        | 64         |
| PNP                               | 512              | 23,066           | 5                | 26,168           | 88        | 1          |
| PBP                               | 7979             | 52,710           | -                | 57,492           | 92        | 3          |
| <b>Proved Developed</b>           | <b>15,887</b>    | <b>1,252,132</b> | <b>151</b>       | <b>1,348,360</b> | <b>93</b> | <b>69</b>  |
| PUD                               | 4,360            | 555,792          | 5,115            | 612,642          | 91        | 31         |
| <b>Total Proved</b>               | <b>20,247</b>    | <b>1,807,924</b> | <b>5,266</b>     | <b>1,961,002</b> | <b>92</b> | <b>100</b> |
| PRB                               | 4,353            | 685,721          | -                | 711,839          | 96        |            |
| POS                               | 5,381            | 1,275,873        | -                | 1,308,159        | 98        |            |
| <b>Total Reserves</b>             | <b>29,981</b>    | <b>3,769,518</b> | <b>5,266</b>     | <b>3,981,000</b> | <b>97</b> |            |
| Potential                         | -                | 1,728,000        | -                | 1,728,000        | 100       |            |
| <b>Total Reserves + Potential</b> | <b>29,981</b>    | <b>5,497,518</b> | <b>5,266</b>     | <b>5,709,000</b> | <b>96</b> |            |

# EXCO Resources, Inc.

## 2007 Expected Capital Budget and Drilling Schedule

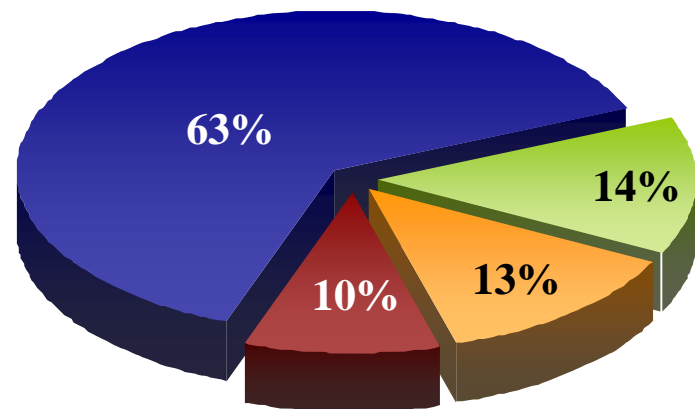
Expected 2007 Capital budget is \$502.9<sup>(1)</sup>

By Category



|                           | <u>\$MM</u> |
|---------------------------|-------------|
| ■ Drilling and Completion | 402.9       |
| ■ Exploitation            | 9.4         |
| ■ Operations and Other    | 31.0        |
| ■ Pipeline and Gathering  | 48.6        |

By Area



|                 | <u>\$MM</u> |
|-----------------|-------------|
| ■ EXCO Partners | 308.4       |
| ■ Appalachia    | 70.3        |
| ■ EXCO "Other"  | 64.6        |
| ■ Mid-Stream    | 48.6        |

| 2007 Drilling Locations | PUD        | PROB       | POSS      | Total      |
|-------------------------|------------|------------|-----------|------------|
| EXCO Partners           | 91         | 46         | 32        | 169        |
| Appalachia              | 228        | 15         | 28        | 271        |
| EXCO "Other"            | 43         | 75         | 19        | 137        |
| <b>Total</b>            | <b>362</b> | <b>136</b> | <b>79</b> | <b>577</b> |

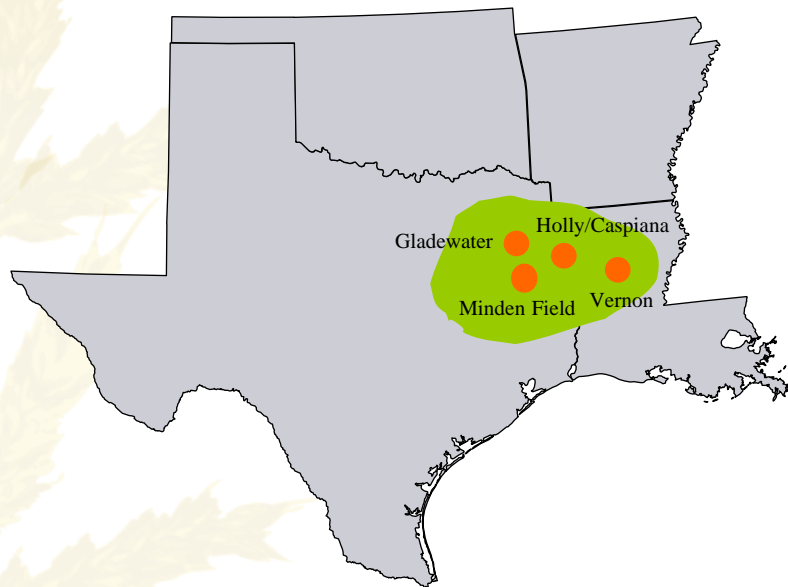
1) Includes \$11 million IT and other capitalized items



# EXCO Resources, Inc.

## East Texas/North Louisiana

### East Texas / North Louisiana



- EXCO main producing areas
- Industry area / basin

### Area summary

East Texas overview:

- Part of the Cotton Valley Sand trend, which covers parts of the East Texas Basin and Northern Louisiana Salt Basin
- Long-life reserves
- High drilling success rates
- Relatively high initial production rates
- Drilling depths of 9,000 to 15,000 ft

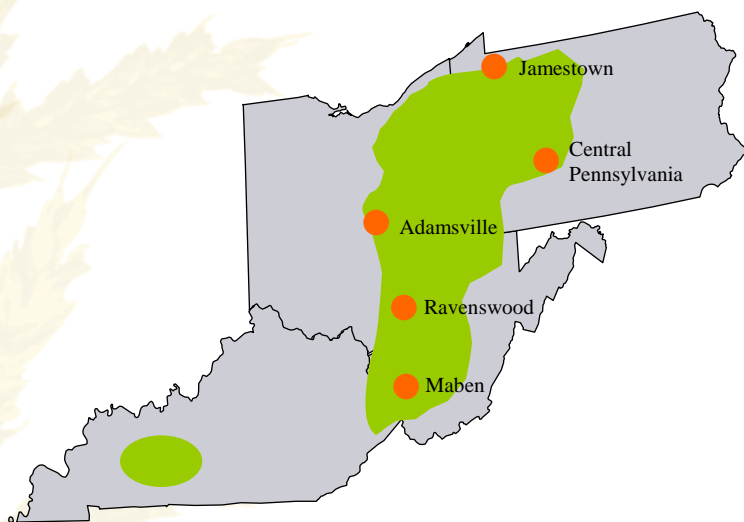
### Portfolio highlights

- Total proved reserves: 970 Bcfe
- Daily production: 260 Mmcfed
- % proved developed: 72%
- Reserve life: 10 yrs
- Proved developed reserve life: 7 yrs
- Net acreage: 226,000
- Drilling locations (total / 2007E): 1,108 / 169
- Key fields/areas:
  - Vernon
  - Gladewater Area
  - Holly/Caspiana
  - Minden/Oak Hill/Overton



## Appalachia

### Appalachia



- EXCO main producing areas
- Industry area / basin

### Area summary

Appalachia overview:

- Oldest production region in the US
- Number of wells and operators presents a significant consolidation opportunity
  - More than 750,000 wells drilled; 201,100 producing
  - >3,000 operators
  - < 1% of wells drilled below 7,500 ft
  - Most wells relatively shallow at 1,000 to 6,000 ft

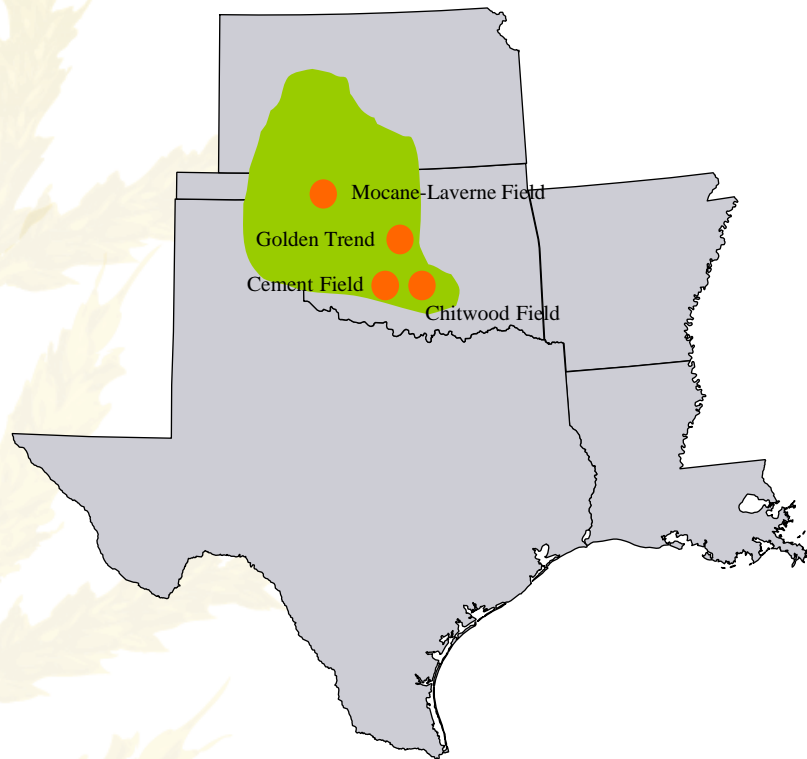
### Portfolio highlights

- Total proved reserves: 445 Bcfe
- Daily production: 43 Mmcfed
- % proved developed: 61%
- Reserve life: 28 yrs
- Proved developed reserve life: 17 yrs
- Net acreage: 817,000
- Drilling locations (total / 2007E): 3,157 / 271
- Substantial premium to NYMEX gas (\$0.76/Mcf for 2006)
- Key fields:
  - Central Pennsylvania Area
  - Jamestown Area
  - Ravenswood Area
  - Maben Area
  - Adamsville Area

# EXCO Resources, Inc.

## Mid-Continent

### Mid-Continent



- EXCO main producing areas
- Industry area / basin

### Area summary

#### Mid-Continent overview:

- Properties located in the Anadarko Shelf and Anadarko Basin of Oklahoma
- Stratigraphic plays with multiple, stacked pay zones
- Complex geology
- Number of fields in area have long production histories
- Future acquisition opportunities
  - Small operators seeking liquidity opportunities
  - Larger companies seeking to divest non-core assets

### Portfolio highlights

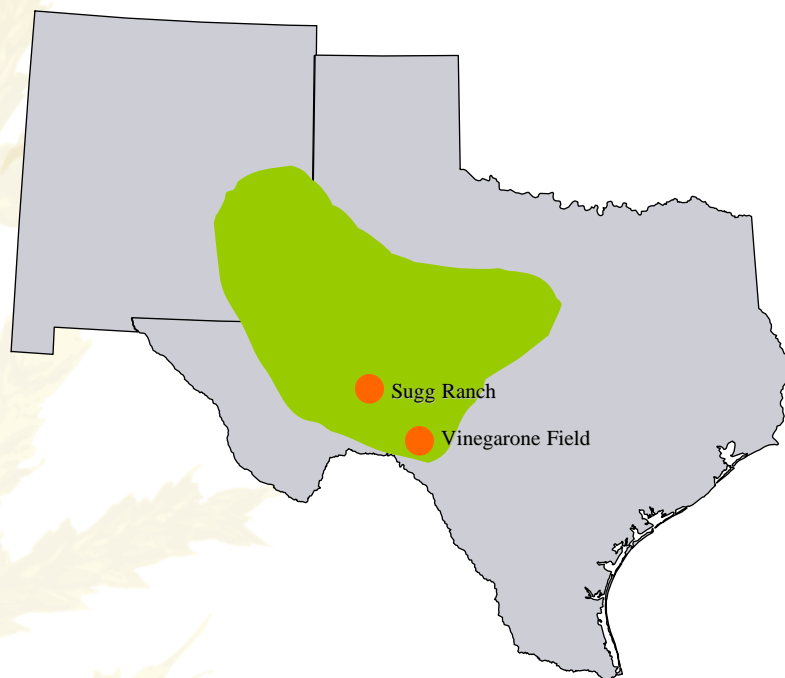
|                                       |           |
|---------------------------------------|-----------|
| ■ Total proved reserves:              | 443 Bcfe  |
| ■ Daily production:                   | 76 Mmcfed |
| ■ % proved developed:                 | 70%       |
| ■ Reserve life:                       | 16 yrs    |
| ■ Proved developed reserve life:      | 11 yrs    |
| ■ Net acreage:                        | 312,000   |
| ■ Drilling locations (total / 2007E): | 377 / 42  |
| ■ Key fields/areas                    |           |
| ■ Mocane-Laverne Field                |           |
| ■ Cement Field                        |           |
| ■ Chitwood Field                      |           |
| ■ Golden Trend Area                   |           |



# EXCO Resources, Inc.

## Permian

### Permian



- EXCO main producing areas
- Industry area / basin

### Area summary

Permian overview:

- Usually characterized as mature oil focused basin
- EXCO's activities focused on conventional gas properties
- Targeting prolific natural gas reservoirs
- Potential for multi-pay horizons
- Long reserve life
- Low operating costs
- Well depths of 7,000 to 22,000 ft

### Portfolio highlights

|                                       |           |
|---------------------------------------|-----------|
| ■ Total proved reserves:              | 85 Bcfe   |
| ■ Daily production:                   | 18 Mmcfed |
| ■ % proved developed:                 | 72%       |
| ■ Reserve life:                       | 13 yrs    |
| ■ Proved developed reserve life:      | 9 yrs     |
| ■ Net acreage:                        | 35,000    |
| ■ Drilling locations (total / 2006E): | 740 / 95  |
| ■ Key fields:                         |           |
| ■ Sugg Ranch                          |           |
| ■ Vinegarone Field                    |           |





# Derivatives Summary



EXCO Resources, Inc.

# EXCO Resources, Inc.

## Consolidated

Pro Forma as of December 31, 2006

| In thousands,<br>except prices | Gas<br>Mmbtus  | Contract price per<br>Mmbtu | Oil<br>Bbls  | Contract price per<br>Bbl |
|--------------------------------|----------------|-----------------------------|--------------|---------------------------|
| Q1 2007                        | 24,480         | \$ 8.30                     | 181          | \$ 70.03                  |
| Q2 2007                        | 28,945         | 7.80                        | 366          | 62.89                     |
| Q3 2007                        | 30,388         | 7.83                        | 368          | 63.46                     |
| Q4 2007                        | 30,388         | 8.06                        | 368          | 63.83                     |
| 2008                           | 99,870         | 8.36                        | 1,115        | 60.55                     |
| 2009                           | 73,155         | 7.90                        | 897          | 60.10                     |
| 2010                           | 6,985          | 6.63                        | 151          | 59.85                     |
| 2011                           | 1,825          | 4.51                        | -            | -                         |
| 2012                           | 1,830          | 4.51                        | -            | -                         |
| 2013                           | 1,825          | 4.51                        | -            | -                         |
| <b>Total</b>                   | <b>299,691</b> |                             | <b>3,446</b> |                           |



# EXCO Resources, Inc.

## EXCO Resources

Pro Forma as of December 31, 2006

| In thousands,<br>except prices | Gas<br>Mmbtus | Contract price per<br>Mmbtu | Oil<br>Bbls  | Contract price per<br>Bbl |
|--------------------------------|---------------|-----------------------------|--------------|---------------------------|
| Q1 2007                        | 4,905         | \$ 8.73                     | 160          | \$ 70.47                  |
| Q2 2007                        | 9,219         | 7.56                        | 345          | 62.65                     |
| Q3 2007                        | 10,512        | 7.64                        | 347          | 63.27                     |
| Q4 2007                        | 10,512        | 8.17                        | 347          | 63.67                     |
| 2008                           | 34,876        | 8.17                        | 1,059        | 60.55                     |
| 2009                           | 18,739        | 7.52                        | 850          | 60.10                     |
| 2010                           | 3,780         | 5.99                        | 108          | 59.85                     |
| 2011                           | 1,825         | 4.51                        | -            | -                         |
| 2012                           | 1,830         | 4.51                        | -            | -                         |
| 2013                           | 1,825         | 4.51                        | -            | -                         |
| <b>Total</b>                   | <b>98,023</b> |                             | <b>3,216</b> |                           |



# EXCO Resources, Inc.

## EXCO Partners

Pro Forma as of December 31, 2006

| In thousands,<br>except prices | Gas<br>Mmbtus  | Contract price per<br>Mmbtu | Oil<br>Bbls | Contract price per<br>Bbl |
|--------------------------------|----------------|-----------------------------|-------------|---------------------------|
| Q1 2007                        | 19,575         | \$ 8.19                     | 21          | \$ 66.70                  |
| Q2 2007                        | 19,726         | 7.92                        | 21          | 66.65                     |
| Q3 2007                        | 19,876         | 7.92                        | 21          | 66.57                     |
| Q4 2007                        | 19,876         | 8.01                        | 21          | 66.44                     |
| 2008                           | 64,994         | 8.46                        | 56          | 62.25                     |
| 2009                           | 54,416         | 8.03                        | 47          | 60.80                     |
| 2010                           | 3,205          | 7.38                        | 43          | 59.85                     |
| 2011                           | -              | -                           | -           | -                         |
| 2012                           | -              | -                           | -           | -                         |
| 2013                           | -              | -                           | -           | -                         |
| <b>Total</b>                   | <b>201,668</b> |                             | <b>230</b>  |                           |

