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EXCO RESOURCES ANNOUNCES THIRD QUARTER 2007 OPERATIONS ACTIVITY

DALLAS, TEXAS, October 29, 2007…EXCO Resources, Inc. (NYSE:XCO) is providing certain operational information regarding its third quarter ended September 30, 2007.

We continue to implement our stated strategy of acquiring long-lived natural gas and oil reserves and actively drilling to develop upside opportunities.

Third quarter 2007 net production volumes totaled 375 Mmcfe per day, a 191% increase over the prior-year period production of 129 Mmcfe per day. We lost an average of 3.5 Mmcfe per day for the quarter from shut-in of a third party pipeline in our Mid-Continent area due to flooding. The pipeline is now operational and the volumes have returned to pre-shut-in levels.

Our gross productive well count has increased from approximately 8,000 gross wells at the end of the third quarter of 2006 to approximately 10,300 gross wells at the end of the third quarter of 2007. A comparison of our third quarter 2007 production volumes with those from third quarter 2006 follows:

	Quarter ended September 30, 2006			Quarter ended September 30, 2007			
	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Change in Total
East Texas/North Louisiana	367	33	35	1,160	241	248	609%
Appalachia	348	40	42	467	40	43	2%
Mid-Continent	691	23	27	2,382	47	61	126%
Permian	496	11	14	801	14	19	36%
Other	718	6	11	353	2	4	-64%
Totals	2,620	113	129	5,163	344	375	191%

Our headcount has grown from 399 employees on September 30, 2006 to 631 employees on September 30, 2007, of which 371 directly support field operations.

Recent Acquisitions and Divestments

West Texas Canyon Sand Field Acquisition: We closed our second acquisition from private sellers in the Sugg Ranch, a West Texas Canyon Sand field, on October 9, 2007. We acquired an approximate 45% additional interest in 28,000 acres of leasehold and 135 producing wells for $156.6 million, subject to customary post-closing adjustments. Following the acquisition, we will take over operations of the field. We acquired our initial working interest in the field in April 2006. This acquisition brings our working interests in the field to 97%, with a 73% net revenue interest.

This acquisition increases our estimated net proved reserves in the field by an estimated 60 Bcfe and increases the estimated total reserves (proved, probable and possible) by 129 Bcfe, all calculated at NYMEX strip pricing at September 1, 2007, the effective date of the transaction. We believe this field contains as many as 600 additional drilling locations, of which 187 are proved. Gross production from the field exceeds 28 Mmcfe per day, and, in addition to the primary Canyon Sand formation, productive formations include the Clearfork and Wolfcamp. While we are still preparing our 2008 capital budget, our initial plans, which are subject to Board of Directors approval, are to spend approximately $98.0 million and drill 144 wells in this field in 2008.

Cement Field, Oklahoma Divestment: On July 13, 2007, we completed the sale of our interests in the Cement Field, located in Garvin and Grady Counties, Oklahoma in our Mid-Continent area, to a field operator for $101.0 million, subject to customary post-closing adjustments. We owned only non-operated interests in the field, which we estimated contained 29.1 Bcfe of total proved reserves, based upon NYMEX strip pricing and internal engineering estimates, as of December 31, 2006. Net production volumes at the time of sale averaged approximately 8.0 Mmcfe per day.

Development and Drilling Activity

Operationally, our drilling program continues to make solid progress with 26 drilling rigs running at the end of the third quarter of 2007. This compares with 23 rigs running at the end of the second quarter of 2007.

Third quarter 2007 development expenditures totaled $134.6 million and funded the drilling and completion of 133 gross (104.0 net) new wells, as well as other capital activities. Our drilling success rate was 99%. Our revised capital budget, approved by our Board of Directors subsequent to our 2007 acquisitions, totals $502.9 million. This budget includes $402.9 million for drilling and completion, $48.6 million of midstream capital, $40.4 million for exploitation and other operations projects, and $11.0 million for information technology and miscellaneous capitalized costs. Under this budget, we currently plan to drill and complete 517 gross (428.4 net) wells. Of the wells, 170 gross (133.4 net) are in East Texas/North Louisiana, 230 (226.3 net) are in Appalachia, 37 gross (19.7 net) are in the Mid-Continent, and 79 gross (48.9 net) are in the Permian area.

A summary of our drilling and completion activity for the quarter ended September 30, 2007 follows:

Area	September 30, 2007 Rig Count	Wells drilled and completed (Q3) Gross	Net
East Texas/North Louisiana	13	40	31.1
Appalachia	7	61	58.8
Mid-Continent	3	11	3.7
Permian	2	21	10.4
Other	1	-	-
Totals	26	133	104.0

East Texas/North Louisiana: In the third quarter of 2007, we drilled and completed 40 gross (31.1 net) wells in East Texas and North Louisiana. We achieved a 100% drilling success rate. Our primary targets are the upper and lower Cotton Valley and, at times, the Travis Peak, Pettet, and Hosston formations. Currently 13 drilling rigs are running in the area. Seven rigs are running in our Holly/Caspiana Field area in North Louisiana, which we acquired in October 2006, three rigs are running in East Texas, and three rigs are running in the Vernon Field, which we acquired in March 2007. The third rig at Vernon was added in September 2007. We expect to have one non-operated rig running in East Texas in November 2007. The current 2007 forecast calls for drilling 170 gross (133.4 net) in the region. We anticipate drilling and completing 13 (12.1 net) wells at Vernon between our acquisition date of March 31, 2007 and year-end 2007. The Vernon Field net production is currently 135 Mmcfe per day, which includes 10.5 Mmcfe per day as of the end of the third quarter of 2007 of new production derived from 2007 drilling and exploitation work. At Vernon, we completed four new wells during the third quarter, and initial production per well averaged approximately 6.1 Mmcfe per day gross (4.5 Mmcfe per day net). In addition, we continue to implement a refrac program at Vernon, having completed seven projects. To date, our refracs are adding in excess of 1.0 Bcfe of incremental reserves per well. As anticipated, the incremental cash flow from the Vernon wells has allowed us to increase the activity in the entire East Texas/North Louisiana region while staying aligned with our strategy of only spending approximately half of our cash flow on capital projects.

Appalachia: During the third quarter 2007 we achieved a 100% drilling success rate on the 61 gross (58.8 net) wells drilled on our Appalachian properties. In Appalachia, our major areas are in Pennsylvania, Ohio and West Virginia, where we typically drill Clinton/Medina, Upper Devonian, Devonian Shale, and Berea, among other formations. For the year, 230 gross (226.3 net) wells are forecast to be drilled in the region. Currently, five drilling rigs are active. In Appalachia, we hold in excess of 800,000 leasehold acres. We continue to evaluate and develop plans relating to how best to exploit the various shale plays on this extensive acreage position. Considerations include commingling the normal to under-pressured shale located in shallower areas in the basin with our traditional up-hole zones to improve overall well economics, as well as pursuing stand-alone completions in the over-pressured shale located in deeper areas of the basin.

Mid-Continent: For the third quarter 2007 we drilled and completed 11 (3.7 net) wells in our Mid-Continent area and achieved a 91% success rate. We mainly target the Cherokee, Chester, Morrow, Sycamore, Hunton and Viola formations. We currently plan to drill 37 gross (19.7 net) wells in 2007, which is less than originally forecast primarily due to drilling fewer non-operated wells following the sale of our Cement Field interests.

Permian: During the third quarter 2007 we drilled and completed 21 gross (10.4 net) wells in the Permian Basin and achieved a 95% drilling success rate. We now plan to drill 79 gross (48.9 net) wells in the region during 2007. Most of the drilling has been and will continue to be in the Sugg Ranch Canyon Sand area, where we plan to drill and complete 73 gross (45.5 net) wells during 2007. Production at Sugg Ranch has increased from an average of 21.5 Mmcfe per day gross (8.0 Mmcfe per day net) in the fourth quarter of 2006 to an average in excess of 29 Mmcfe per day gross (11.1 Mmcfe per day net) during the third quarter of 2007. With the acquisition of an additional 45% working interest, our net production will increase accordingly. We now have two rigs drilling at Sugg Ranch, with plans to add a third drilling rig during the week of October 29, 2007. We have one rig drilling on our acreage in the Rockies area.

Midstream: Our Midstream operations in East Texas/North Louisiana continue to grow from both third party and company-owned production throughput. Current throughput remains approximately 440 Mmcf per day, with approximately 70% of the volumes from equity production and approximately 30% from third parties. We have a 71-mile expansion budgeted for our TGG Pipeline in East Texas, planning to add 20-inch, 12-inch and 8-inch pipeline segments. We have begun the first phase of the expansion, by laying 10 miles of 8-inch line to gather and transport both company and third party production. We have awarded the contract to construct the 20-inch and 12-inch segments, and this work will begin during the fourth quarter of 2007.

EXCO Resources, Inc. is a public oil and natural gas acquisition, exploitation, development and production company headquartered in Dallas, Texas with principal operations in Texas, Louisiana, Ohio, Oklahoma, Pennsylvania, and West Virginia.

Additional information about EXCO Resources, Inc. may be obtained by contacting EXCO's Chairman, Douglas H. Miller or its President, Stephen F. Smith, at EXCO's headquarters, 12377 Merit Drive, Suite 1700, Dallas, TX 75251, telephone number (214) 368-2084, or by visiting our website at http://www.excoresources.com. Our SEC filings and press releases can be found under the Investor Relations tab.

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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 and our other periodic filings with the SEC.

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 under the Investor Relations tab or by calling us at 214-368-2084.

In addition, the SEC mandates the use of spot cash prices only when estimating reserves disclosed in filings made with the SEC. The reserve estimates provided in this release reflect, where stated, either NYMEX strip futures or our acquisition pricing, which is not consistent with SEC case estimates.