



EXCO Resources, Inc.

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EXCO RESOURCES ANNOUNCES 2008 CAPITAL BUDGET

DALLAS, TEXAS, November 16, 2007... The Board of Directors of EXCO Resources, Inc. (NYSE: XCO) has approved a capital spending budget of \$625.2 million for 2008. This budget amount is approximately 24% more than the approved 2007 budget of \$502.9 million and is the largest in EXCO's history. The 2008 capital budget provides funding for activities including the drilling of more than 600 wells, implementation of exploitation and operations projects, and enhancements to our information technology systems. Our exploitation projects involve working on existing wellbores to enhance reserves and production. Our operations projects include land leasing, seismic, facilities, and artificial lift projects, among others. The budget will be fully funded through cash flow from operations. Consistent with EXCO's stated strategy, we will retain a significant amount of our cash flow to either provide funding for acquisitions or for payment of debt.

The \$625.2 million 2008 capital spending budget is allocated among our different budget categories as follows:

	<u>\$ Millions</u>
Drilling	461.8
Exploitation	31.9
Operations	94.6
Midstream	19.4
IT and other	<u>17.5</u>
Total	\$625.2

We currently have 27 rigs drilling across our portfolio, and more than 50 wells are in various stages of completion. The capital will be allocated primarily among the following regions:

	Total Capital \$ Millions	Drilling Capital \$ Millions	Wells to be Drilled	Exploitation Capital \$ Millions	Number of Exploitation Projects	Operations Capital \$ Millions
East Texas/North LA	\$338.4	\$244.6	139	\$25.8	25	\$68.0
Permian	124.5	109.4	165	1.2	5	13.9
Appalachia	68.6	60.0	248	0.7	22	7.9
Mid-Continent	56.8	47.8	57	4.2	30	4.8
Midstream	19.4	-	-	-	-	-
IT & Other Capital	17.5	-	-	-	-	-
Total	\$625.2	\$461.8	609	\$31.9	82	\$94.6

East Texas/North Louisiana - We are drilling primarily Cotton Valley formation targets at depths averaging between 10,000 and 11,000 feet in most of our properties except the Vernon Field, where depths can reach 15,000 feet. In this region, we have budgeted \$338.4 million on activities including drilling 139 wells (80 wells in Holly/Caspiana located in DeSoto Parish, Louisiana, 24 wells at Vernon located in Jackson Parish, Louisiana, and 35 wells across East Texas) and implementing various exploitation and operations projects.

Permian - We plan to spend \$124.5 million, which will fund drilling 165 wells primarily targeting Canyon formation sands at depths of approximately 7,500 feet. Of these 165 wells, 148 are in our Sugg Ranch area where we recently acquired additional working interests for approximately \$156.6 million. At Sugg Ranch, we have production from the Wolfcamp and Clearfork formations in addition to the primary Canyon Sand formation. Our net production at Sugg Ranch now totals approximately 22 Mmcfe/d of natural gas.

Appalachia - We are planning to spend \$68.6 million to drill 248 wells, primarily targeting shallow Appalachian formations on our fields in Pennsylvania, West Virginia, Ohio and Kentucky at depths typically between 3,000 and 6,000 feet, and to carry out 22 exploitation projects. We are also evaluating our Marcellus shale opportunities. We have approximately 350,000 acres of Marcellus shale, much of which is held by shallow production. We have begun testing the play by drilling vertical wells. Initial results are encouraging.

Mid-Continent - We plan to spend \$56.8 million and drill 57 wells, primarily in our Mocane Laverne and Golden Trend areas, where we have stacked pays at depths ranging from 7,000 to 17,000 feet. Several of these drill wells will be in the areas acquired from Anadarko Petroleum Corporation in mid 2007. We will also carry out various exploitation projects in this region.

Midstream: We plan to spend \$19.4 million on our midstream operations. On our TGG intrastate pipeline, we are continuing expansion to increase volume throughput by as much as 100 Mmcfd,

and on our TALCO gathering system we are expanding the system to gather additional equity and third party production.

IT and Other: We plan to spend \$17.5 million on other activities, including \$6.5 million to continue enhancements to our information technology systems which support our accounting, production and general business activities, and capitalized costs associated with our acquisition and capital development efforts.

EXCO Resources, Inc. is an 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 EXCO's website at <http://www.excoresources.com>. EXCO's SEC filings and press releases can be found under the Investor Relations tab.

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This release may contain forward-looking statements relating to future financial results or business expectations. Business plans may change as circumstances warrant. This budget is an estimate only and could change depending upon many factors including results of drilling, costs of drilling and other projects, and commodity prices. This budget could increase or decrease depending upon acquisitions or divestitures completed during 2008. Actual results may differ materially from those predicted as a result of factors over which EXCO has no control. Such factors include, but are not limited to: acquisitions, recruiting and new business solicitation efforts, estimates of reserves, commodity price changes, the extent to which EXCO is successful in integrating recently acquired businesses, regulatory changes and general economic conditions. These risk factors and additional information are included in EXCO's reports on file with the Securities and Exchange Commission.