EXCO Resources, Inc.
12377 Merit Drive, Suite 1700, LB 82, Dallas, Texas 75251
(214) 368-2084 FAX (214) 368-2087

EXCO RESOURCES ANNOUNCES FOURTH QUARTER 2007 OPERATIONS ACTIVITY

DALLAS, TEXAS, January 28, 2008…EXCO Resources, Inc. (NYSE:XCO) is providing certain operational information regarding its fourth quarter and its full year ended December 31, 2007.

We have continued our strategy of acquiring long-lived oil and natural gas reserves through both acquisitions and leasing, applying geoscience and other technology to enhance our properties, exploiting all potential horizons and drilling aggressively to develop additional reserves. Our headcount has grown from 471 employees on December 31, 2006 to 689 employees on December 31, 2007, of which 406 directly support field operations. Our gross productive well count has increased from approximately 8,000 gross wells at the end of the fourth quarter of 2006 to approximately 10,300 gross wells at the end of the fourth quarter of 2007.

Our estimated proved reserves have grown 52%, from 1,250 Bcfe at December 31, 2006 to approximately 1,902 Bcfe at December 31, 2007, with both cases calculated at $8 per Mcf natural gas and $60 per barrel oil pricing. Similarly, our estimated total proved, probable and possible reserves have more than doubled, growing from 1,911 Bcfe at December 31, 2006 to 4,192 Bcfe at December 31, 2007. Details of the December 31, 2007 estimated reserves follow:

	East Texas/ North Louisiana Bcfe	Appalachia Bcfe	Mid-Continent Bcfe	Permian Bcfe	Rockies/Other Bcfe	Total Bcfe
Proved Developed	715.4	259.6	264.6	88.7	8.5	1,336.8
Proved Undeveloped	287.8	165.4	51.7	55.3	4.6	564.8
Total Proved	1,003.2	425.0	316.3	144.0	13.1	1,901.6
Probable	499.0	54.9	57.8	94.0	10.3	716.1
Possible	824.2	339.1	94.1	101.1	215.5	1,573.9
Total Reserves	2,326.4	819.0	468.2	339.1	238.9	4,191.6

The December 31, 2007 proved reserves, calculated under SEC guidelines at prices of $6.80 per Mcf of natural gas and $96.20 per barrel of oil, total 1,865.0 Bcfe.

Fourth quarter 2007 net production volumes totaled 376 Mmcfe per day, a 90% increase over the prior-year period production of 198 Mmcfe per day. For full year 2007, net production volumes totaled 121.3 Bcfe, for an average of 332 Mmcfe per day, a 144% increase over the prior year average of 136 Mmcfe per day reflecting the effects of our acquisition and development efforts. While our organic growth remains in the 5-6% per year range, we believe upside exists across the portfolio through additional exploitation of our base, continued efficiency improvement, and development of potential resources.
A comparison of our fourth quarter 2007 production volumes with those from fourth quarter 2006

follows:

	Quarter ended December 31, 2006			Quarter ended December 31, 2007			
	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Change in Total
East Texas/North Louisiana	1,013	95	101	1,014	235	241	139%
Appalachia	370	42	44	445	42	45	1%
Mid-Continent	659	23	27	1,878	51	62	130%
Permian	531	13	16	1,471	17	26	63%
Rockies	612	5	9	216	1	2	-78%
Other	79	1	1	51	-	-	-73%
Total	3,264	179	198	5,075	346	376	90%

A comparison of our full year 2007 production volumes with those from full year 2006 follows:

	Full Year 2006			Full Year 2007			
	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Oil Bopd	Gas Mmcf/d	Total Mmcfe/d	Change in Total
East Texas/North Louisiana	441	44	47	1,085	207	213	358%
Appalachia	326	39	41	427	40	43	4%
Mid-Continent	653	23	27	1,754	42	53	96%
Permian	425	10	12	917	15	21	75%
Rockies	566	5	8	250	1	2	-75%
Other	99	-	1	68	-	-	-
Total	2,510	121	136	4,501	305	332	144%

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 additional 45% interest for $156.6 million and became operator in 28,000 acres of leasehold and 135 producing wells. We acquired our initial working interest in the field in April 2006. This acquisition brings our working interest in the field to 97%, with a 73% net revenue interest. As estimated at the time of acquisition, this transaction 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 is currently 30 Mmcfe per day, and, in addition to the primary Canyon Sand formation, productive formations include the Clearfork and Wolfcamp. We plan to spend approximately $98.0 million and drill 147 wells in this field in 2008. We currently have three drilling rigs operating at Sugg Ranch.

Appalachian Acquisition: Early in the fourth quarter we closed the acquisition of more than 300 producing wells and associated undeveloped sites within our core Central Pennsylvania operating area from a private seller for approximately $16.7 million. The acquired assets contain approximately 1.5 Mmcfe per day of net production, 12.4 Bcfe of estimated proved reserves and 14.4 Bcfe of estimated total proved, probable and possible reserves, all calculated at NYMEX strip pricing at the effective date of acquisition.

Divestment of Certain Assets: We closed the sale of certain assets across our portfolio for $23 million, subject to customary post-closing adjustments, to private parties on November 9, 2007.

With this sale of approximately 8 Bcfe of net proved reserves calculated at NYMEX strip pricing and 2 Mmcfe per day of net production, we exited Nebraska, Colorado, certain areas of the Gulf Coast, and certain non-operated properties in Texas.

Development and Drilling Activity

Operationally, our drilling program continues to make solid progress with 22 drilling rigs running at the end of the fourth quarter of 2007. This compares with 26 rigs running at the end of the third quarter of 2007 and 15 rigs running at year-end 2006.

Fourth quarter of 2007 development expenditures totaled $151.3 million and funded the drilling and completion of 139 gross (119.8 net) new wells, as well as other capital activities. Our drilling success rate was 99%. Our full year 2007 spending totaled $487.2 million.

In 2007, we drilled and completed 485 gross (400.6 net) wells. We had 11 gross (7.7 net) dry holes, resulting in a 98% success rate. At year end, we had approximately 39 wells across the portfolio in various stages of completion. Our 2008 capital budget as approved by our Board of Directors during the fourth quarter of 2007 totals $625 million, and will fund the drilling and completion of 609 gross (536.3 net) wells, among other activities.

A summary of our drilling and completion activity for the quarter ended December 31, 2007 follows:

Area	December 31, 2007 Rig Count	Wells Drilled and Completed (Q4) Gross	Net
East Texas/North Louisiana	13	43	36.2
Appalachia	3	59	56.2
Mid-Continent	1	7	3.4
Permian	4	30	24.0
Rockies	1	-	-
Total	22	139	119.8

A summary of our full-year drilling and completion activity follows:

Area	Wells Drilled and Completed, Full Year		Dry Holes, Full Year		Totals	
	Gross	Net	Gross	Net	Gross	Net
East Texas/North Louisiana	146	118.3	1	0.8	147	119.1
Appalachia	223	216.2	4	3.3	227	219.5
Mid-Continent	36	18.1	2	0.6	38	18.7
Permian	80	48	4	3	84	51
Rockies	-	-	-	-	-	-
Total	485	400.6	11	7.7	496	408.3

East Texas/North Louisiana: In the fourth quarter of 2007, we drilled and completed 43 gross (36.2 net) wells in East Texas and North Louisiana. We achieved a 100% drilling success rate. At year end we had 20 wells in various stages of completion. In 2007, we drilled and completed 146 gross wells (118.3 net) in the region. We drilled one dry hole. Our primary targets are the upper and lower Cotton Valley and, at times, the Travis Peak, Pettet, and Hosston formations. At year end 2007, 13 drilling rigs were running in the area, with eight running in our Holly/Caspiana Field and in other areas in North Louisiana and East Texas, two rigs running in East Texas in our Gladewater and Overton areas, and three rigs running in the Vernon Field, which we acquired in March 2007. In Holly/Caspiana, we have increased production from 42.5 Mmcfe per day at year end 2006 to 55.5 Mmcfe per day at year end 2007. We have expanded the Holly/Caspiana field limits through our drilling. At Overton, located in Smith County, Texas, we had initial gross production of 1.9 Mmcfe per day from one of our first wells drilled in the area. Overton also provides us opportunities to drill horizontal wells, and we have at least three horizontals planned here during 2008. At Vernon, we added a third rig in September 2007. We drilled and completed 14 (13.3 net) wells at Vernon between our acquisition date of March 31, 2007 and year-end 2007, with 100% success. The Vernon Field net production is currently 129 Mmcfe per day, which includes approximately 19.3 Mmcfe per day as of the end of the fourth quarter of 2007 of new production derived from 2007 drilling and exploitation work. At Vernon, we completed 6 new wells during the fourth quarter, and initial production per well averaged approximately 6.6 Mmcfe per day gross (4.5 Mmcfe per day net). Our drilling and exploitation efforts have reduced the overall field decline from that forecast at the time of acquisition and have expanded the field limits in the southern and western fault blocks. We now have approximately 280 drilling locations at Vernon, up significantly from the 15 identified at the time of acquisition.

Appalachia: During the fourth quarter of 2007 we achieved a 98% drilling success rate on the 59 gross (56.2 net) wells drilled on our Appalachian properties. In Appalachia, our major operating areas include Pennsylvania, Ohio and West Virginia, where we typically drill for and exploit the Clinton/Medina Sandstone, stacked Upper Devonian Sandstones, Devonian Shale, and Berea Shale, among other productive horizons. For the year, 223 gross (216.2 net) wells were drilled in the region. At the end of the fourth quarter 2007, three drilling rigs were active. We are focusing on improving our application of artificial lift technology in the basin, with very promising initial results.

In Appalachia, we hold in excess of 800,000 net leasehold acres. Our land staff is focused on acquiring additional leasehold in our traditional shallow producing areas as well as in the Marcellus shale play fairway. Included in our extensive acreage position, we have approximately 350,000 gross acres in the Marcellus shale, much of which is held by shallow production. More than 180,000 net acres are in the core area of the overpressured Marcellus play. Efforts continue to evaluate and develop plans relating to exploitation of the Marcellus shale play, and we have begun staffing in preparation for exploitation of the play. Successful testing of the Marcellus shale has been conducted on four wells located in the shallower, normal to under-pressured areas of the basin where Marcellus production is being commingled with other, more traditional horizons to improve overall well economics. Testing of stand-alone horizontal wellbore completions in the over-pressured shale located in the deeper areas of the basin is planned for 2008. We believe our present leasehold position contains over 2.5 Tcf of potential Marcellus reserves.

Mid-Continent: For the fourth quarter 2007 we drilled and completed 7 gross (3.4 net) wells in our Mid-Continent area and achieved an 88% success rate. For full year 2007, we drilled and completed 36 gross (18.1 net) wells and had two dry holes, achieving a 95% success rate. We mainly target the Cherokee, Chester, Morrow, Sycamore, Hunton and Viola formations. We recently completed our best operated well in the Golden Trend since EXCO entered the area via an acquisition in October, 2005. The well had an initial gross production rate of 3.7 Mmcfe per day. We had one rig running in the area at year-end 2007. We plan to increase our activity during 2008 and drill 57 gross (33.0 net) wells.

Permian: During the fourth quarter 2007 we drilled and completed 30 gross (24.0 net) wells in the Permian Basin and achieved a 93% drilling success rate. We drilled 84 gross (51.0 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 147 gross (142.5 net) wells during 2008. Production at Sugg Ranch has increased from an average of 21.5 Mmcfe per day gross (16.0 Mmcfe per day net pro forma for our 2007 acquisition) in the fourth quarter of 2006 to an average of approximately 26.5 Mmcfe per day gross (19.3 Mmcfe per day net) during the fourth quarter of 2007. We have found oil producing zones in the Wolfcamp and Clearfork formations, and our percentage of oil production in the field is increasing. We now have three rigs drilling at Sugg Ranch.

Midstream: Our Midstream operations in East Texas/North Louisiana continue to grow from both third party and company-owned production throughput. Current throughput is approximately 460 Mmcf per day, with approximately 65% of the volumes from equity production and approximately 35% from third parties. The 460 Mmcf per day throughput is up from 231 Mmcf per day at year end 2006, with the increase attributable to both acquisitions of equity gas and transport of third party volumes. We are in the construction stage of a 57-mile, $36.7 million expansion of our TGG Pipeline in East Texas. We are adding 20-inch, 12-inch and 8-inch pipeline segments to the system. We are currently constructing a 23-mile, 20-inch pipe segment of the expansion, which will increase throughput by approximately 20 Mmcf per day by early second quarter 2008. The overall expansion will be complete by summer 2008 and will increase throughput by approximately 95 to 100 Mmcf per day.

Upside: We have several initiatives underway to grow reserves and production in areas that have been in our portfolio as well as in new areas. We have entered into one joint venture, and we are negotiating a second to expand our leasehold positions in the Permian Basin. In the first venture we have gained operations and a 70% working interest in more than 20,000 mostly contiguous acres. We are presently drilling five shallow tests in order to evaluate the block. Seismic work is planned in the first quarter. In the Rockies, we are drilling a well to evaluate company-owned leases as well as to earn an interest in a significant amount of farmout acreage. Logs indicate the presence of economic hydrocarbon accumulations. In our Rockies area we have approximately 100,000 acres of leasehold in Wyoming where we plan to drill nine wells to evaluate various plays during 2008. We will drill four horizontal wells and additional vertical wells to evaluate the Marcellus shale in Appalachia in 2008. We are transferring producing technology into Appalachia and initial results from artificial lift applications are encouraging. We are leasing additional acreage, particularly in East Texas/North Louisiana and in Appalachia in areas that have growth opportunities as identified by our engineers and geoscientists. In East Texas, we have three horizontal wells planned, and we also plan to drill downspaced 20-acre wells in certain areas of East Texas and North Louisiana.

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.

###

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, our acquisition pricing, or $8.00 per Mcf natural gas and $60.00 per barrel oil pricing, which is not consistent with SEC case estimates.