

12 November 2012



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Dear Sir/Madam,

Takeover bid by Washington H. Soul Pattinson and Company Limited for Exco Resources Limited – Notice of variation

As you are aware, we act for Washington H. Soul Pattinson and Company Limited ABN 49 000 002 728 (**WHSP**) in relation to its off-market takeover bid for all of the ordinary shares in Exco Resources Limited ABN 99 080 339 671 (**Exco**) that it does not already own or control (**Offer**).

On behalf of WHSP and in accordance with section 650D of the *Corporations Act* 2001 (Cth) (**Corporations Act**), we **enclose** a copy of the notice of variation dated 12 November 2012 (**Notice of Variation**), increasing the offer consideration for each fully paid ordinary share in Exco from A\$0.19 per share to A\$0.265 per share. Further, pursuant to section 624(2) of the *Corporations Act*, the Offer period is extended so that it now ends at 7pm (Sydney time) on Monday 26 November 2012.

A copy of the Notice of Variation will be given to Exco, the Australian Securities and Investments Commission and each person to whom offers have been made under the bid.

Yours faithfully

A handwritten signature in black ink, appearing to read "PP Aliphanes".

Shaun Clyne
Partner
Norton Rose Australia

Encl.

APAC-#16580600-v1

Notice of Variation – Increase in consideration and extension of Offer period

To: Exco Resources Limited (Exco)
Australian Securities and Investments Commission (ASIC)
ASX Limited
Each person to whom offers were made under the takeover bid referred to in this Notice

Notice of variation - Increase in consideration and extension of Offer period

1. Washington H. Soul Pattinson & Company Limited ABN 49 000 002 728 (**WHSP**) gives notice:
 - 1.1 under section 650D(1) of the *Corporations Act* 2001 (Cth) (**Corporations Act**) that pursuant to section 650B of the *Corporations Act*, it varies its takeover offer dated 2 October 2012 (**Offer**) for all the ordinary shares in Exco that it does not already own or control that is contained in the bidder's statement dated 28 September 2012 (**Bidder's Statement**) by increasing the Offer consideration for each fully paid ordinary share in Exco from A\$0.19 per share to A\$0.265 per share;
 - 1.2 under section 624(2) of the *Corporations Act* that the Offer period is extended so that it ends at 7pm (Sydney time) on Monday, 26 November 2012.
2. A copy of this notice was lodged with ASIC on 12 November 2012. ASIC takes no responsibility for the contents of the notice.



Peter Robinson
Director
Washington H. Soul Pattinson &
Company Limited



Robert Millner
Director
Washington H. Soul Pattinson &
Company Limited

Date: 12 November 2012