

ENVIRONMENT POLICY

Exco Resources Ltd is committed to achieving compatibility between economic development and the maintenance of the environment. The Company therefore seeks to ensure that, throughout all phases of its activities, its personnel and contractors give due consideration to the care of flora, fauna, air, land and water and to the community health and heritage which may be affected by these activities.

To fulfill this commitment, the Company will observe all environmental laws and, consistent with the principles of sustainable development, will:

- Progressively establish and maintain company-wide environmental standards for our operations throughout Australia.
- Integrate environmental factors into planning and operational decisions and processes.
- Assess the potential environmental effects of our activities and regularly monitor and audit our environmental performance.
- Continually improve our environmental performance, including reducing the effect of emissions, developing opportunities for recycling and more efficiently using energy, water and other resources.
- Rehabilitate the environment affected by our activities.
- Conserve important populations of flora and fauna that may be affected by our activities.
- Promote environmental awareness among Company personnel and contractors to increase understanding of environmental matters.

Signed



Bruce McLarty
General Manager - Commercial