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Market Release *(via electronic lodgement)*

ACQUISITION OF CLONCURRY PROJECTS FROM HADDINGTON RESOURCES

Exco Resources NL is pleased to announce that it has entered a binding heads of agreement with Haddington Resources Ltd to acquire Haddington's interests in the Cloncurry district of Northwest Queensland.

Exco will pay Haddington $1 million in cash, with $500,000 payable on settlement and $500,000 payable 12 months from settlement. The second installment may be satisfied via fully paid ordinary shares in the Company at Haddington's election. A royalty of up to $500,000 is payable from a 2% NSR on production from the properties.

Haddington's tenements in North Queensland cover an area of over 400 km^2 and contain five priority copper gold target areas within the Wallace (100%) and Monakoff (90%) Projects (see Figure 2 on page 6). Two of the targets have significant resources in gold and oxide copper respectively. The properties form a contiguous block over a highly prospective area to the immediate south-east of Cloncurry and adjoin Exco's existing properties to the north and west. The Haddington properties also surround 5 mining leases for which Exco has the sulphide mineral rights.

This acquisition will bring a number of new resources into Exco's Cloncurry Copper Project and significantly improves the potential for expanding and exploiting existing resources where the mineralization extends beyond the current mining lease boundary.

The additional properties and resources will contribute significantly to Exco's strategy for consolidating all prospective areas in the Cloncurry district and developing these resources through a central processing facility in Cloncurry.

Following the acquisition Exco's total resources in the Cloncurry area will contain over **268,000 tonnes copper** and approx. **250,000 oz gold** in indicated and inferred resources.

Inventory of Resources in acquired properties

Table 1 summarises the current resource inventory being acquired.

Table 1 - Mineral Resource Summary – Indicated and Inferred Resources					
Deposit	***Tonnes***	***Grade***		***Metal***	
		Cu %	***Au g/t***	***Cu T***	***Au Oz***
Wallace South Deposit [1]	1,000,000	-	1.6	-	**53,000**
Kangaroo Rat Deposit [2,3]	875,000	1.65	1	**14,438**	**28,000**
Victory-Flagship Deposit[2]	196,000	1.2	1.40	**2,352**	**8,800**
Jasper Deposit [1]	1,400,000	1	-	**14,000**	-
TOTAL				**28,790**	**89,800**

1. Haddington Resources Ltd announcement dated 3 May 2006
2. Cloncurry Mining Company (announced on Haddington's website (http://www.haddington.com.au/projects.html)
3. Kangaroo Rat resource is partially located on Exco's existing ML2695

Further details of the resources and their further exploration potential out outlined below.

Wallace South Gold deposit

In 2003 to 2005 Haddington completed resource evaluation drilling and metallurgical studies on their Wallace South gold deposit. A JORC compliant global resource was calculated to be **1.0 mt @ 1.6 g/t for 53,000 oz of contained gold.** A map of the project is located in Figure 1 on page 5.

Metallurgical testwork revealed gold extraction was excellent for the range of grind sizes evaluated being in excess of 92%. In most cases the cyanidable gold content was leached within 8 hours from the start of the cyanidation process. Gravity and Time Leach testwork recoveries were excellent, with up to 4% recoverable by gravity, total recovery was close to 95%. Recent best drill results are detailed below:

Wallace Prospect		
width (m)	**Copper %**	**Gold g/t**
8	1.61	-
8	1.21	-
50	-	1.69
5	-	1.62
8	-	2.06
4	-	7.40
4	-	15.57

Kangaroo Rat Copper-Gold deposit

The Kangaroo Rat prospect lies approximately 1 km to the north of the Wallace South prospect. An inferred resource of 875,000 tonnes @ 1.65% Cu and 1.0g/t Au was reported by Cloncurry Mining Company. Exploration totals 32 holes including 4 diamond tails. Mineralisation is copper-gold and sulphides include pyrite, chalcopyrite, and sphalerite. Recent best drill results are detailed below:

Kangaroo Rat Prospect		
width (m)	Copper %	Gold g/t
9	4.6	0.98
6	3.1	2.1
16	1.65	1.1
11.2	2.14	1.4
3		6.06
5		7.3

Weatherly Prospect

Recent shallow RAB drilling at the Weatherly Prospect (north east of Wallace South gold deposit), has identified copper-gold mineralisation along the 3.5 km Weatherly trend. These results indicate the potential of this structure to host significant copper/gold mineralisation, with over 1.2 km of untested potential under cover to the north east. Better results are shown below.

Weatherly Prospect		
width (m)	Copper %	Gold g/t
9m	**1.96**	**-**
6m	**1.29**	**-**
3m	**-**	**5.5**
6m	**-**	**2.66**
5m	**3.9**	**-**
11m	**-**	**1.53**

Victory / Flagship Copper-Gold Prospect

At Victory/Flagship mineralisation occurs sporadically over a strike length of approximately 1.3 km (including the historic M.L.T., Victory & Flagship workings). The main workings appear to correlate with a NW trending structure. Other prospects in this area include Elma and Elma West.

An inferred resource at Victory/Flagship totalling 196,000 tonnes @ 1.2% Cu, 1.4 g/t Au was calculated by Cloncurry Mining Company. A total of 52 RC holes were drilled by Cloncurry Mining Company.

Victory / Flagship Prospect		
width (m)	Copper %	Gold g/t
16	-	2.58
9	-	3.45
8	-	3.62
9	-	1.87
4	-	4.16
8	-	1.95

Fischer Creek Copper-Gold prospect

The Fischer Creek prospect is associated with a large geophysical anomaly located east of Exco's Monakoff deposit. Initiall drilling by Xstrata identified high grade copper-gold mineralisation as outlined below. Further work is planned to identify the resource potential.

Fischer Creek Prospect		
width (m)	Copper %	Gold g/t
6m	3.2	8.4
5m	0.57	0.21
28m	3.7	3.1
24m	3.2	1

Jasper Copper-Cobalt-Gold deposit

The Jasper prospect has a non-JORC resource of **1.4mt at 1% copper and 350ppm cobalt** reported by Cloncurry Mining Company in 1996. The resource is in an area approximately 500m long and 120m wide. Mineralisation is contained within several jasper, quartz ironstone breccias. The previous exploration drilling completed by Cloncurry Mining Company only covered a small portion of the potential oxide resource and further drilling is required. Xstrata explored the area in Joint Venture in 2004. Xstrata carried out deep drilling of the prospect in an attempt to identify a deep sulphide copper occurrence. The deep drilling of the Jasper Prospect has shown that the Turf Club Shear Zone represents a massive high sulphur, iron oxide, copper/gold bearing system dominated by magnetite, and iron stone formation, pyrite and chalcopyrite.

Camel Hill Base Metals

One of the most prominent styles of base metal mineralisation in the eastern fold belt is the Cannington/Pegmont type base metal deposit. These Broken Hill style silver/lead/zinc deposits occur within higher grade metamorphic facies, and are related to stratiform banded iron units in the Mt Norna and Toole Creek Volcanics.

There are a number of base metal target areas on Haddington's tenements, where previous operators have discovered copper, gold, arsenic and base metal occurrences. These prospects have been identified from historical work carried out by BHP, Diversified Mineral Resources, Union Oil Development Company and Carpentaria Exploration Company in the 1980's, and more recently Cloncurry Mining Company in the late 1990's.

Rio Tinto explored the area for lead zinc in Joint Venture with the Haddington in 2004. Results from Joint Venture drilling were encouraging, although not significant enough for Rio Tinto to continue with the joint venture. The most significant results were **20 m @ 2.49 % Zn & 0.12 % Pb from 16 m (including 4 m @ 4.25 % Zn); 36 m @ 0.77 % Zn from 86 m (Including 6 m @ 2.85 % Zn) & 0.8 % Pb from 90 m; 2.5 m @ 5.17 % zinc & 141 ppm Pb from 125.5 m (including 0.5 m @ 16.4 % zinc)**.

On behalf of the Board of
Exco Resources NL

Michael Anderson
Managing Director

Figure 1 - NORTHWEST QUEENSLAND MINERAL PROVINCE

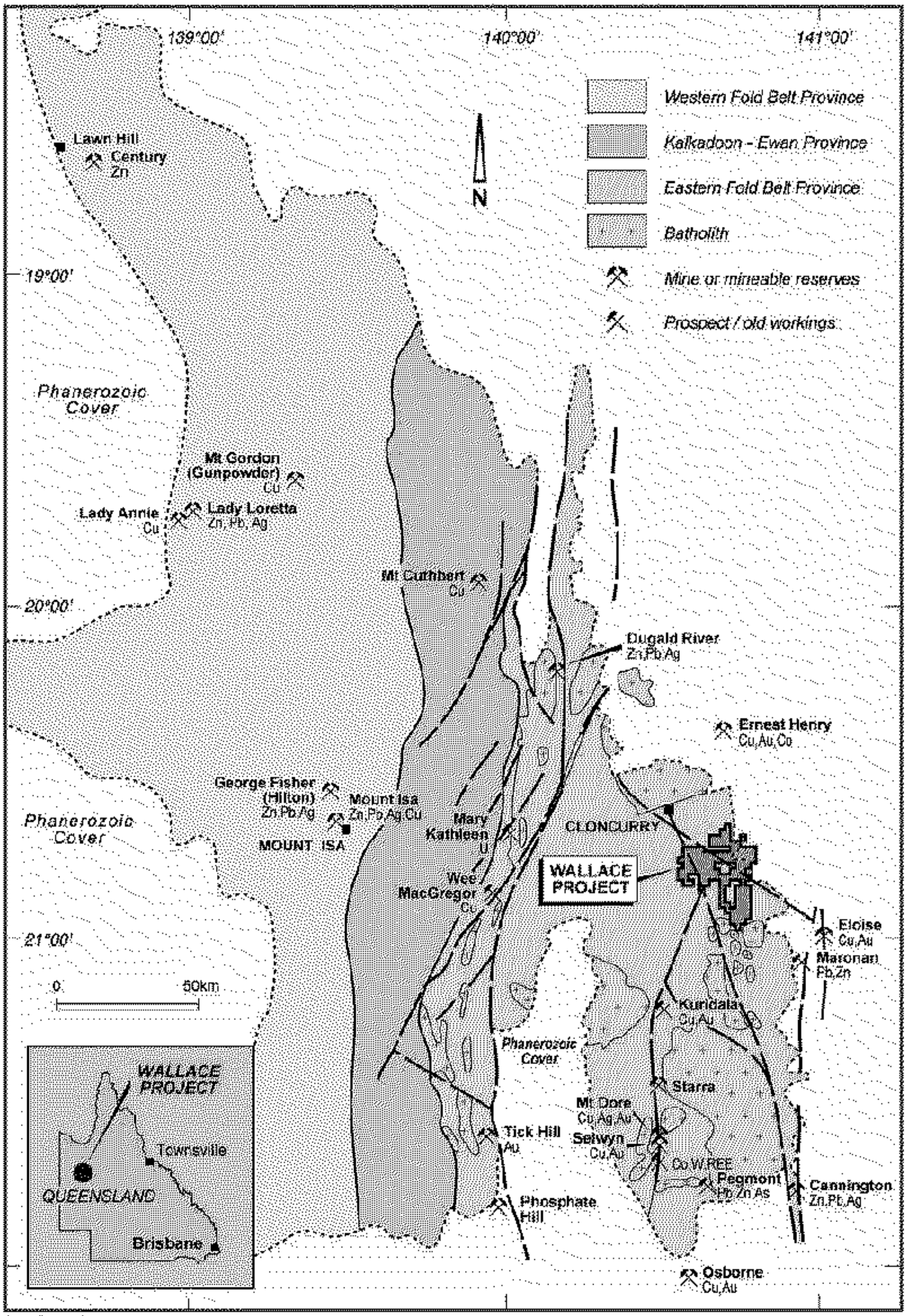

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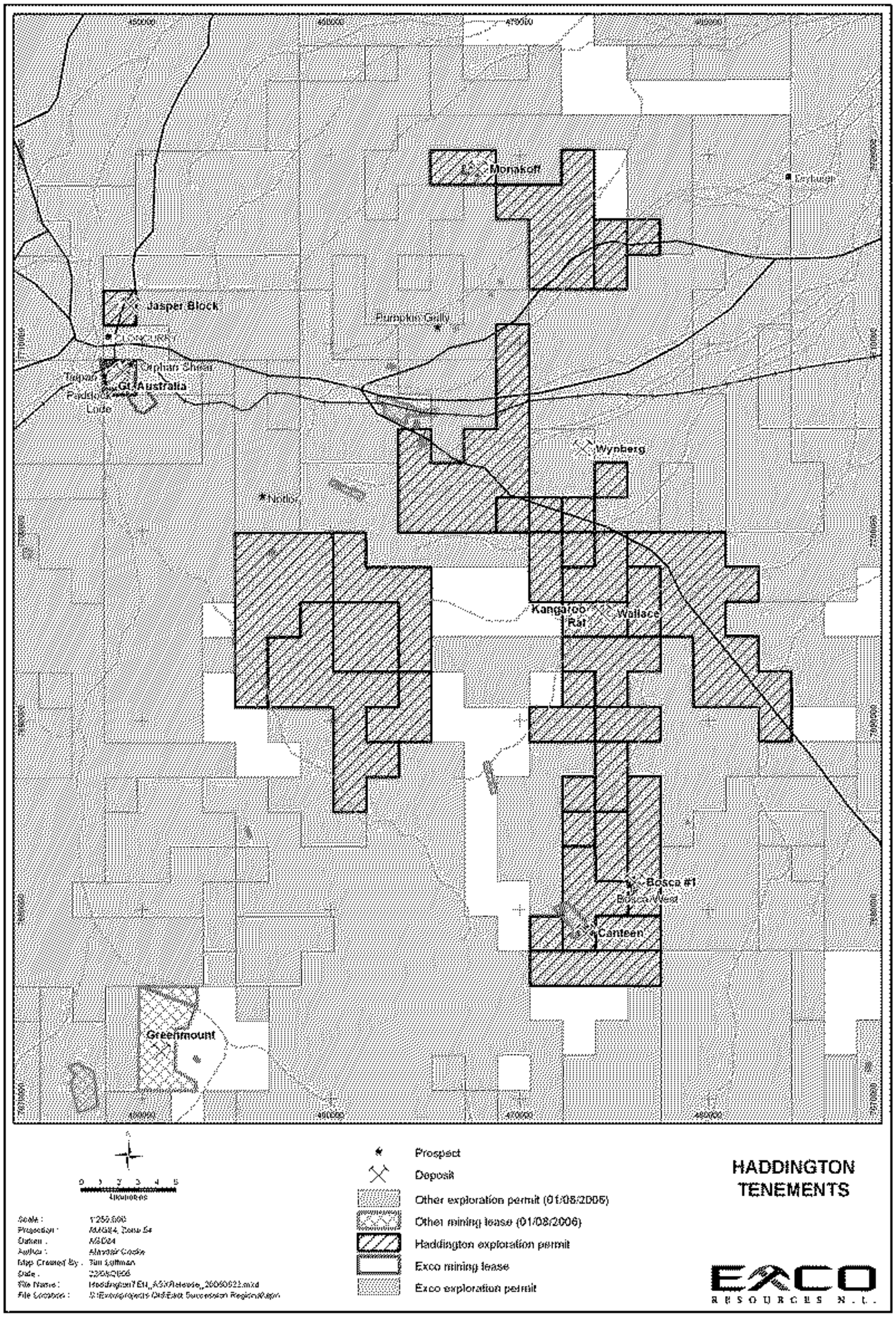
Figure 2


Monakoff
Jasper Block
Orphan Shear
Gt Australia
Pumpkin Gully
Wynberg
Notlor
Kangaroo Rat
Wallace
Bosca #1
Bosca West
Canteen
Greenmount
Prospect
Deposit
Other exploration permit (01/08/2006)
Other mining lease (01/08/2006)
Haddington exploration permit
Exco mining lease
Exco exploration permit
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