EXCO RESOURCES, INC.

UPDATED WAIVER TO CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS, OFFICERS AND EMPLOYEES AND CODE OF ETHICS FOR THE CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS

On November 19, 2009, the Board of Directors (the "***Board***") of EXCO Resources, Inc. (the "***Company***") granted Stephen F. Smith, director, president and chief financial officer of the Company, a waiver to the Company's Code of Business Conduct and Ethics for Directors, Officers and Employees and Code of Ethics for the Chief Executive Officer and Senior Financial Officers with respect to a potential relationship between the Company and a subcontractor of one of the Company's vendor's in which Mr. Smith's son has a financial interest. At that time, Mr. Smith's son owned 50% of the membership interest in a limited liability company ("S&S") that purchased certain assets it intended to use to perform shallow pipe-line construction directional drilling in East Texas and Louisiana. Prior to January 1, 2012, the Company did not contract directly with S&S for these services. Instead, the Company contracted with its preferred service provider in East Texas and Louisiana and that entity subcontracted with S&S from time to time to provide shallow pipe-line construction directional drilling in connection with services provided to the Company.

On January 1, 2012, the Company's preferred service provider in East Texas and Louisiana purchased 100% of the membership interests of S&S, including the 50% interest owned by Mr. Smith's son (the "S&S Transaction"). Mr. Smith's son continues to serve as an officer of S&S. As a result of the S&S Transaction, S&S became a direct vendor of the Company and the Company's preferred service provider for pipe-line construction directional drilling in East Texas and Louisiana.

In light of the S&S Transaction, the Board deemed it appropriate to re-affirm, effective January 1, 2012, its waiver of this relationship. Although the Board granted a waiver for this relationship, the Board did not affirmatively determine that the relationship was material or actually created a conflict of interest. The Board considered and analyzed the relationship and granted the waiver because it determined that, material or immaterial, the relationship would not interfere with the interests of the Company or with Mr. Smith's ability to perform his work objectively, effectively and in the best interests of the Company, and would not result in Mr. Smith's or his son's receipt of any improper personal benefit. The Company anticipates that the relationship will be disclosed annually in the Company's Form 10-K or proxy statement.