Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
EXCO RESOURCES, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1999

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

EXCO RESOURCES, INC

12377 MERIT DRIVE, SUITE 1700
DALLAS, TX 75251

2b Employer Identification Number (EIN) 74-1492779

2c Sponsor's telephone number 214-368-2084

2d Business code (see instructions) 211110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/03/2012	JOE FORD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
EXCO RESOURCES, INC

12377 MERIT DRIVE, SUITE 1700
DALLAS, TX 75251

3b Administrator's EIN
74-1492779

3c Administrator's telephone number
214-368-2084

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1050
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	1081
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	133
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1215
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	1215
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1215
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	90
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2F 2G 2J 2K 2S 2T 3D 3H 2E

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
EXCO RESOURCES, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCO RESOURCES, INC

D Employer Identification Number (EIN)
74-1492779

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
06-1050034	93629	41475	1215	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

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	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	16397871
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year			7b	12703397
c	Additions: (1) Contributions deposited during the year	7c(1)	3517828		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	423607		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	2721844		
	▶ LOAN REPAYMENTS, TRANSFERS IN MISCELLANEOUS, FORFEITURE CREDIT PLAN ROLLOVER				
	(6) Total additions			7c(6)	6663279
d	Total of balance and additions (add **b** and **c(6)**).			7d	19366676
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	646861		
	(2) Administration charge made by carrier	7e(2)	669		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	2321275		
	▶ LOAN INITIATIONS, TRANSFERS OUT MISCELLANEOUS, FORFEITURE DEBIT				
	(5) Total deductions			7e(5)	2968805
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	16397871

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
EXCO RESOURCES, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCO RESOURCES, INC

D Employer Identification Number (EIN)
74-1492779

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LOCKTON INVESTMENT ADVISORS, LLC

20-8874282

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	44963	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 50	NONE	5850	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
EXCO RESOURCES, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCO RESOURCES, INC

D Employer Identification Number (EIN)
74-1492779

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	838166	1410307
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	40290527	50550616
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	12703397	16397871
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	9304760	5598127
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	63136850	73956921
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	63136850	73956921

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	9176885	
	(B) Participants	2a(1)(B)	9402059	
	(C) Others (including rollovers)	2a(1)(C)	530497	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		19109441
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	50958	
	(F) Other	2b(1)(F)	423607	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		474565
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	77992	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	662439	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		740431
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	1821993	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1601899	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		220094

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-4557155	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-4557155
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1624134
c Other income	2c		54962
d Total income. Add all **income** amounts in column (b) and enter total	2d		14418204
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3546128	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3546128
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	52005	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		52005
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3598133
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		10820071
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MONTGOMERY COSCIA GREILICH LLP (2) EIN: 75-2919818

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		3000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
EXCO RESOURCES, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCO RESOURCES, INC

D Employer Identification Number (EIN)
74-1492779

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

EXCO RESOURCES, INC. 401(K) PLAN

Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

(With Independent Auditor's Report Thereon)

MONTGOMERY COSCIA GREILICH LLP

Certified Public Accountants

EXCO RESOURCES, INC. 401(K) PLAN

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Notes to Financial Statements	4
Supplemental Schedule:	
Schedule H, Line 4i-Schedule of Assets (Held at Year End) December 31, 2011	16

Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Savings Income Security Act of 1974.

MONTGOMERY COSCIA GREILICH LLP
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Gregory S. Norkiewicz, CPA
Karen R. Soefje, CPA

Independent Auditor's Report

To the Participants and Trustees of
EXCO Resources, Inc. 401(K) Plan

We have audited the accompanying statements of net assets available for benefits of the EXCO Resources Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010 and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

MONTGOMERY COSCIA GREILICH LLP

Plano, Texas
June 28, 2012

EXCO RESOURCES, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Employer Stock	$ 5,598,127	$ 9,304,761
Guaranteed Income Fund	16,397,871	12,703,397
Mutual funds of registered investment companies	50,550,616	40,290,526
Total investments	72,546,614	62,298,684
Notes receivable from participants	1,410,307	838,166
Net assets available for benefits	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

EXCO RESOURCES, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to net assets available for plan benefits attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ (5,961,195)	$ 3,590,830
Interest and dividends	1,164,038	-
Interest on notes receivable from participants	50,958	44,442
Other income	54,962	-
Total investment income (loss)	(4,691,237)	3,635,272
Contributions:		
Employer, net	9,176,885	7,587,087
Participant	9,402,059	7,763,511
Rollover	530,497	1,065,741
Total contributions	19,109,441	16,416,339
Total investment income (loss) and contributions	14,418,204	20,051,611
Deductions from net assets attributed to:		
Benefits paid to participants	3,546,128	6,237,092
Other expenses	52,005	5,901
Total deductions	3,598,133	6,242,993
Increase in net assets available for benefits	10,820,071	13,808,618
Net assets available for benefits:		
Beginning of year	63,136,850	49,328,232
End of year	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

1 - Description of the Plan

Plan Description

The EXCO Resources, Inc. 401(k) Plan (the "Plan"), formerly known as EXCO Resources, Inc. Employee Savings Trust, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on January 1, 1999. The Plan is sponsored by EXCO Resources, Inc. (the "Company" or "Plan Sponsor"). Prudential Bank and Trust Company, FSB is the Trustee (the "Trustee" or "Prudential") of the Plan and Prudential Retirement Insurance and Annuity Company (the "Administrator") is the record-keeper for the Plan. The following descriptions provide only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Participant Accounts and Eligibility

Employees become eligible for participation at the age of 18 and upon completing 30 days of eligible service, as defined by the Plan document. Subject to certain limitations on annual contributions, each participant's account is credited with employee salary deferrals, Company matching and discretionary contributions, an allocation of Plan earnings, and administrative expenses related to loan and distribution fees, if applicable.

Contributions

Each year, a participant may elect to contribute a portion of his or her pretax compensation up to 50%, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($16,500 for the calendar years ended 2011 and 2010). Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($5,500 for the calendar years ended 2011 and 2010). Rollover contributions representing distributions from other qualified defined benefit or contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

In 2011 and 2010, the Plan Sponsor matched 100% of all employee contributions.

Effective February 1, 2010 employees are automatically enrolled in the Plan with a contribution of 3% of compensation, unless otherwise directed. Additionally, unless the participant specifically elects otherwise, the automatic deferrals will be increased by 1% of compensation each year of the anniversary of enrollment date, to a maximum deferral rate of 6%. Automatic enrollment deferrals are defaulted into a moderate risk tolerance fund based on the participant's age.

1 - Description of the Plan **(continued)**

Vesting

Participants are immediately fully vested in their elective contributions plus actual earnings thereon. Participants hired prior to January 1, 2008, were immediately fully vested in their Company matching contributions. Participants hired on or subsequent to January 1, 2008, vest in their Company matching contributions plus actual earnings thereon based on the following schedule:

One-year anniversary of hire	25%
Two-year anniversary of hire	50%
Three-year anniversary of hire	75%
Four-year anniversary of hire	100%

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to 50% of their vested account balance, not to exceed $50,000. Note terms range from one to five years or, in the case of a loan to acquire or construct the primary residence of a participant, a period not to exceed 10 years. Prior to 2009, a note to acquire or construct the primary residence was allowed a repayment period used by commercial lenders for similar loans. The notes receivable from participants are secured by the balance in the participant's account and bear interest at the prime rate plus 1.00%, as defined by the Participant Loan Policy. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. At December 31, 2011, maturity dates on existing notes receivable from participants ranged from January 2012 through December 2038 and had interest rates from 4.25% to 10.25%. At December 31, 2010, maturity dates on existing notes receivable from participants ranged from February 2011 through December 2038 and had interest rates from 4.25% to 10.25%.

Investment Options

The Plan provides for contributions to be invested by the Trustee among a variety of mutual fund options, a guaranteed income fund and the Company stock fund, in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the Plan website for additional fund information.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event of such termination of the Plan, the net assets of the Plan would be distributed among the participants in accordance with ERISA.

1 - Description of the Plan **(continued)**

Benefit Payments

Participants withdrawing amounts from their account during the year for reasons of disability, retirement, death (withdrawn by participant's estate), or termination are entitled to their vested account balance. For vested account balances greater than $5,000, participants may elect a distribution in the form of rollovers, lump sums, or installment payments. Upon termination, vested account balances less than $5,000 may be automatically distributed to the applicable terminated participant.

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) on account of uninsured medical expenses incurred by the participant, their spouse or dependents; (2) to purchase (excluding mortgage payments) a principal residence of the participant; (3) for the payment of post-secondary tuition expenses incurred by the participant, their spouse or dependents; (4) needed to prevent eviction of the participant from his or her principal residence or foreclosure upon the mortgage of the participant's principal residence; (5) for funeral or burial expenses for the participant's deceased parent, participant's spouse, children or dependents; or (6) for expenses to repair damage to the participant's principal residence that would qualify for the casualty income tax deduction.

Forfeitures

The Plan allows for the forfeited balances of terminated participants' non-vested accounts to be utilized to reduce employer contributions or pay Plan expenses. During the years ended December 31, 2011 and 2010, forfeited balances used to reduce employer contributions were $225,174 and $189,011, respectively. At December 31, 2011 and 2010, the balances in the forfeiture account were $1,539 and $219, respectively.

Administrative Expenses

Administrative expenses are paid by the Company except for investment expenses relating to the purchase or sale of directed investment options, which are paid for directly by participants.

2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

2 - Summary of Significant Accounting Policies **(continued)**

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

Investment Valuation and Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net realized gains or losses on investments is the difference between the proceeds received upon the sale of investments and the market value of investments as of the end of the preceding year or the average cost of those assets if acquired during the current year. Unrealized appreciation or depreciation of investments represents the increase or decrease in market value during the year.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

These investments are subject to market or credit risks customarily associated with debt and equity investments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest, which approximates fair value.

Reclassification

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

3 - Investments

The following tables present the individual investments that exceeded 5% of the Plan's net assets available for benefits at December 31:

Description	2011
Guaranteed Income Fund	$16,397,871
American Funds EuroPacific Growth Fund R4	10,864,023
Franklin Growth Advantage Fund	7,883,499
John Hancock Disciplined Value Fund A	7,224,807
EXCO Resources, Inc. Common Stock	5,598,127
PIMCO Total Return Institutional Fund	5,322,840
JP Morgan Government Bond Select Fund A	5,315,661

Description	2010
Guaranteed Income Fund	$12,703,397
EXCO Resources, Inc. Common Stock	9,304,761
Growth Fund of America Fund R4	8,213,573
John Hancock Disciplined Value Fund A	7,724,824
American Funds EuroPacific Growth Fund R4	5,989,785
PIMCO Total Return Bond Administration Fund	3,918,211
JP Morgan Government Bond Select Fund A	3,685,954

Common stock of the Company represented approximately 8% and 15% of total net assets available for benefits at December 31, 2011 and 2010, respectively.

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) changed in value as follows:

	2011	2010
Mutual funds of registered investment companies	$ (1,624,134)	$ 4,123,609
EXCO Resources, Inc. Common Stock	(4,337,061)	(532,779)
	$ (5,961,195)	$ 3,590,830

4 - Fair Value Measurements

The Plan discloses fair value measurements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures. FASB ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In establishing a fair value hierarchy for the Plan's investments, in accordance with ASC 820, the following value methodologies were used for each type of investment:

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

4 - Fair Value Measurements **(continued)**

Guaranteed income fund: Valued at contract value which equals fair value as a fair value adjustment does not apply upon discontinuance. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees.

EXCO Resources, Inc Common Stock: Valued at the closing price reported on the active market on which shares of EXCO common stock are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 16,397,871	$ 16,397,871
Equity funds	30,781,217	-	-	30,781,217
International stock funds	11,876,473	-	-	11,876,473
Speciality funds	1,162,423	-	-	1,162,423
Fixed income funds	6,268,577	-	-	6,268,577
Balanced funds	461,926	-	-	461,926
EXCO Resources, Inc Common Stock	5,598,127	-	-	5,598,127
	$ 56,148,743	$ -	$ 16,397,871	$ 72,546,614

4 - Fair Value Measurements (continued)

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 12,703,397	$ 12,703,397
Equity funds	24,246,505	-	-	24,246,505
International stock funds	6,806,198	-	-	6,806,198
Specialty funds	775,773	-	-	775,773
Fixed income funds	8,155,423	-	-	8,155,423
Balanced funds	306,627	-	-	306,627
EXCO Resources, Inc. Common Stock	9,304,761	-	-	9,304,761
	$ 49,595,287	$ -	$ 12,703,397	$ 62,298,684

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010, respectively:

	2011	2010
Balance, beginning of period	$ 12,703,397	$ -
Deposits	3,518,710	12,923,182
Interest and dividends	432,888	320,906
Distributions	(235,302)	(314,496)
Other net transfer activity	(21,822)	(226,195)
Balance, end of period	$ 16,397,871	$ 12,703,397

5 - Investment Contract with Insurance Company

During 2010 and 2011, the Plan invested in a Fixed Rate Fund, classified as a Stable Value Fund, with Prudential, or the FRF. The FRF is a fully benefit responsive contract and is valued at fair value. Accordingly, the contract meets all of the following criteria:

a. The investment contract is affected directly between the FRF and the issuer and prohibits the FRF from assigning or selling the contract or its proceeds to another party without the consent of the issuer.

b. The contract issuer is obligated to (i) repay principal and interest, or (ii) prospective crediting rate adjustments with an assurance the crediting rate will not be less than zero.

c. The terms of the contract require all permitted participant-initiated transactions with the FRF to occur at contract value with no conditions, limits, or restrictions. Permitted participant-initiated transactions are those transactions allowed by the underlying defined-contribution plan, such as withdrawals for benefits, loans, or transfers to other funds within the Plan.

d. An event that limits the ability of the FRF to transact at contract value with the issuer (for example, premature termination of the contracts by the RFR, plant closings, layoffs, plan termination, bankruptcy, mergers, and early retirement incentives) and that also limits the ability of the FRF to transact at contract value with the participants in the FRF must be probable of not occurring.

e. The FRF itself must allow participants reasonable access to their funds.

The estimated fair value of the FRF as of December 31, 2011 and 2010 respectively is $16,397,871 and $12,703,397. The fair value was calculated using the following methodology:

1. A present value of expected cash flow method was used to develop fair value.

2. Cash flows were estimated based on the termination provisions of the contract. The contract allows for an installment payout over a 5-year period. The balance of the Fund grows over the 5-year period at the expected crediting rate less 50 basis points.

3. Market rates of interest used to discount the cash flows were based upon the T. Rowe Price Index. The data includes contract rates for major guaranteed investment contract providers over the expected 5-year time period.

The FRF represents fixed dollar accounts of an unallocated group annuity contract. The investment in the contract is presented at fair value. An adjustment, if material, is made to the fair value in the statement of net assets available for benefits to present the investment at contract value. As this product is not a traditional Guaranteed Investment Contract, there are no known cash flows that could be discounted. As a result, the fair value amount typically equals contract value.

5 - Investment Contract with Insurance Company **(continued)**

There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The interest crediting rate is determined quarterly. The minimum crediting rate is 1.5%. The interest crediting rate is calculated based upon many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. Key factors that could influence future interest crediting rates are changes in interest rates, and default or credit failures of the securities underlying the Fund's cash flows.

There is no relationship between future crediting rates and the adjustment to contract value reported in the statement of net assets available for benefits.

The average market yield of the FRF for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. The average yield earned by the FRF that reflects the actual interest credited to participants for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. There is no event that limits the ability of the Plan to transact at contract value with the issuer. There are also no events and circumstances that would allow the issuer to terminate the fully benefit-responsive investment contract with the Plan and settle at an amount different from contract value.

6 - Tax Status

The Company has adopted the Prudential Insurance Company of America Prototype Non-Standardized Profit Sharing Plan, which has been approved by the IRS on March 31, 2008, for use by employers as a qualified plan. The Plan is qualified under Section 401(a) of the Code and is exempt from federal income taxation. The Plan has been amended since receiving the determination letter. The Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan continues to be qualified and the related trust is tax exempt.

7 - Transactions with Parties-in-Interest

Participants have the option to invest their salary deferrals into the common stock of the Company. Transactions in the Company's common stock qualify as parties-in-interest transactions, which are exempt from the prohibited transaction rules. Additionally, Plan investments include shares of mutual funds and a guaranteed investment fund managed by Prudential. Prudential acted in capacity as a Trustee to the Plan during the year; therefore, these investments qualify as party-in-interest investments.

8 - Reconciliation of Financial Statements to Form 5500

There are no material reconciling items between the net assets reported in the audited financial statements and the Schedule H of the Form 5500 for the year-ended December 31, 2011.

9 - Acquisition Proposal

On October 29, 2010, our Chairman and Chief Executive Officer, Douglas H. Miller, presented a letter to our board of directors indicating an interest in acquiring all of the outstanding shares of the Company's stock not already owned by Mr. Miller for a cash purchase price of $20.50 per share. The proposal did not represent a definitive offer and there was no assurance that a definitive offer would be made or accepted, that any agreement would be executed or that any transaction would be consummated. Our board of directors established a special committee on November 4, 2010 comprised of two independent directors to, among other things, evaluate and determine the Company's response to the October 29, 2010 proposal.

On January 13, 2011, the special committee of the board of directors announced it would explore strategic alternatives to maximize shareholder value, including a potential sale of the Company. As part of a comprehensive process, the special committee stated that it would consider Mr. Miller's proposal as well as acquisition proposals the special committee may receive from other interested parties and other strategic alternatives potentially available to the Company.

On July 8, 2011, after consultation with its independent financial and legal advisors, the special committee released a statement that its review of strategic alternatives did not result in any firm proposal or any other proposal that was in the best interests of the Company and its shareholders and that they had terminated the review process.

10 - Subsequent Event

In accordance with FASB ASC 855, "Subsequent Events", the Company has evaluated events or transactions occurring after December 31, 2011, the Statement of Net Assets Available for Benefits date, through June 28, 2012, the date the financial statements were issued, and determined no such events or transactions which would impact our financial statements for the year ended December 31, 2011.

SUPPLEMENTAL SCHEDULE

EXCO RESOURCES, INC. 401(K) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT YEAR END)
EMPLOYER ID NUMBER: 74-1492779, PLAN NUMBER 001
DECEMBER 31, 2011

(a)	(b) Identity of Issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Mutual funds of registered investment companies:		
*	Prudential Investment Management Services LLC	Prudential Jennison Middle Capital Growth Fund Class Z	$ 2,474,037
	John Hancock	John Hancock Disciplined Value Fund A	7,224,807
	Lord Abbett	Lord Abbett Developing Growth I Fund	2,610,555
*	Prudential Investment Management Services LLC	Target Small Capitalization Value Fund	2,463,748
	American Funds	American Funds EuroPacific Growth Fund R4	10,864,023
*	Prudential Investment Management Services LLC	Victory Established Value Fund A	2,194,360
*	Prudential Investment Management Services LLC	Prudential Global Real Estate Fund Class Z	154,764
	Oppenheimer	Oppenheimer Developing Markets Fund Y	793,480
	Pioneer	Pioneer Strategic Income Fund Y	314,410
*	Prudential Investment Management Services LLC	Prudential Jennison Natural Resources Fund Z	1,007,660
	Columbia Acorn	Columbia Acorn International Fund Z	218,970
	Oppenheimer	Oppenheimer International Bond Fund Y	396,305
*	Prudential Investment Management Services LLC	Prudential Stock Index Fund Class Z	211,749
	PIMCO	PIMCO Real Return Institutional Fund	235,022
	Oakmark	Oakmark Equity and Income Fund	461,926
	Invesco Ltd.	Invesco Middle Capital Core Equity I Fund	143,858
	Invesco Ltd.	Invesco Charter Institutional Fund	147,335
	Vanguard	Vanguard Small Capital Index Fund	111,607
	PIMCO	PIMCO Total Return Institutional Fund	5,322,840
	Franklin	Franklin Growth Advantage Fund	7,883,499
	JP Morgan	JP Morgan Government Bond Fund A	5,315,661
	Total mutual funds of registered investment companies		50,550,616
	Guaranteed Income Fund		
*	Prudential Investment Management Services LLC	Guaranteed Income Fund	16,397,871
	Plan sponsor stock:		
*	EXCO Resources	EXCO Resources, Inc. Common Stock	5,598,127
	Notes receivable from participants:		
*	Participants	Notes receivable from participants, interest rates range from 4.25% to 10.25% with maturities of January 2012 through December 2038	1,410,307
		Total investments	$ 73,956,921

*Party-in-interest

Note: Category (d) cost of the investments is excluded from this schedule as all investments are participant directed

EXCO RESOURCES, INC. 401(K) PLAN

Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

(With Independent Auditor's Report Thereon)

MONTGOMERY COSCIA GREILICH LLP

Certified Public Accountants

EXCO RESOURCES, INC. 401(K) PLAN

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Statements of Changes in Net Assets Available for Benefits Year ended December 31, 2011 and 2010	3
Notes to Financial Statements	4
Supplemental Schedule:	
Schedule H, Line 4i-Schedule of Assets (Held at Year End) December 31, 2011	16

Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Savings Income Security Act of 1974.

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Independent Auditor's Report

To the Participants and Trustees of
EXCO Resources, Inc. 401(K) Plan

We have audited the accompanying statements of net assets available for benefits of the EXCO Resources Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010 and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

MONTGOMERY COSCIA GREILICH LLP

Plano, Texas
June 28, 2012

EXCO RESOURCES, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Employer Stock	$ 5,598,127	$ 9,304,761
Guaranteed Income Fund	16,397,871	12,703,397
Mutual funds of registered investment companies	50,550,616	40,290,526
Total investments	72,546,614	62,298,684
Notes receivable from participants	1,410,307	838,166
Net assets available for benefits	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

EXCO RESOURCES, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to net assets available for plan benefits attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ (5,961,195)	$ 3,590,830
Interest and dividends	1,164,038	-
Interest on notes receivable from participants	50,958	44,442
Other income	54,962	-
Total investment income (loss)	(4,691,237)	3,635,272
Contributions:		
Employer, net	9,176,885	7,587,087
Participant	9,402,059	7,763,511
Rollover	530,497	1,065,741
Total contributions	19,109,441	16,416,339
Total investment income (loss) and contributions	14,418,204	20,051,611
Deductions from net assets attributed to:		
Benefits paid to participants	3,546,128	6,237,092
Other expenses	52,005	5,901
Total deductions	3,598,133	6,242,993
Increase in net assets available for benefits	10,820,071	13,808,618
Net assets available for benefits:		
Beginning of year	63,136,850	49,328,232
End of year	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

1 - Description of the Plan

Plan Description

The EXCO Resources, Inc. 401(k) Plan (the "Plan"), formerly known as EXCO Resources, Inc. Employee Savings Trust, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on January 1, 1999. The Plan is sponsored by EXCO Resources, Inc. (the "Company" or "Plan Sponsor"). Prudential Bank and Trust Company, FSB is the Trustee (the "Trustee" or "Prudential") of the Plan and Prudential Retirement Insurance and Annuity Company (the "Administrator") is the record-keeper for the Plan. The following descriptions provide only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Participant Accounts and Eligibility

Employees become eligible for participation at the age of 18 and upon completing 30 days of eligible service, as defined by the Plan document. Subject to certain limitations on annual contributions, each participant's account is credited with employee salary deferrals, Company matching and discretionary contributions, an allocation of Plan earnings, and administrative expenses related to loan and distribution fees, if applicable.

Contributions

Each year, a participant may elect to contribute a portion of his or her pretax compensation up to 50%, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($16,500 for the calendar years ended 2011 and 2010). Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($5,500 for the calendar years ended 2011 and 2010). Rollover contributions representing distributions from other qualified defined benefit or contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

In 2011 and 2010, the Plan Sponsor matched 100% of all employee contributions.

Effective February 1, 2010 employees are automatically enrolled in the Plan with a contribution of 3% of compensation, unless otherwise directed. Additionally, unless the participant specifically elects otherwise, the automatic deferrals will be increased by 1% of compensation each year of the anniversary of enrollment date, to a maximum deferral rate of 6%. Automatic enrollment deferrals are defaulted into a moderate risk tolerance fund based on the participant's age.

1 - Description of the Plan **(continued)**

Vesting

Participants are immediately fully vested in their elective contributions plus actual earnings thereon. Participants hired prior to January 1, 2008, were immediately fully vested in their Company matching contributions. Participants hired on or subsequent to January 1, 2008, vest in their Company matching contributions plus actual earnings thereon based on the following schedule:

One-year anniversary of hire	25%
Two-year anniversary of hire	50%
Three-year anniversary of hire	75%
Four-year anniversary of hire	100%

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to 50% of their vested account balance, not to exceed $50,000. Note terms range from one to five years or, in the case of a loan to acquire or construct the primary residence of a participant, a period not to exceed 10 years. Prior to 2009, a note to acquire or construct the primary residence was allowed a repayment period used by commercial lenders for similar loans. The notes receivable from participants are secured by the balance in the participant's account and bear interest at the prime rate plus 1.00%, as defined by the Participant Loan Policy. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. At December 31, 2011, maturity dates on existing notes receivable from participants ranged from January 2012 through December 2038 and had interest rates from 4.25% to 10.25%. At December 31, 2010, maturity dates on existing notes receivable from participants ranged from February 2011 through December 2038 and had interest rates from 4.25% to 10.25%.

Investment Options

The Plan provides for contributions to be invested by the Trustee among a variety of mutual fund options, a guaranteed income fund and the Company stock fund, in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the Plan website for additional fund information.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event of such termination of the Plan, the net assets of the Plan would be distributed among the participants in accordance with ERISA.

1 - Description of the Plan **(continued)**

Benefit Payments

Participants withdrawing amounts from their account during the year for reasons of disability, retirement, death (withdrawn by participant's estate), or termination are entitled to their vested account balance. For vested account balances greater than $5,000, participants may elect a distribution in the form of rollovers, lump sums, or installment payments. Upon termination, vested account balances less than $5,000 may be automatically distributed to the applicable terminated participant.

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) on account of uninsured medical expenses incurred by the participant, their spouse or dependents; (2) to purchase (excluding mortgage payments) a principal residence of the participant; (3) for the payment of post-secondary tuition expenses incurred by the participant, their spouse or dependents; (4) needed to prevent eviction of the participant from his or her principal residence or foreclosure upon the mortgage of the participant's principal residence; (5) for funeral or burial expenses for the participant's deceased parent, participant's spouse, children or dependents; or (6) for expenses to repair damage to the participant's principal residence that would qualify for the casualty income tax deduction.

Forfeitures

The Plan allows for the forfeited balances of terminated participants' non-vested accounts to be utilized to reduce employer contributions or pay Plan expenses. During the years ended December 31, 2011 and 2010, forfeited balances used to reduce employer contributions were $225,174 and $189,011, respectively. At December 31, 2011 and 2010, the balances in the forfeiture account were $1,539 and $219, respectively.

Administrative Expenses

Administrative expenses are paid by the Company except for investment expenses relating to the purchase or sale of directed investment options, which are paid for directly by participants.

2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

2 - Summary of Significant Accounting Policies **(continued)**

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

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Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net realized gains or losses on investments is the difference between the proceeds received upon the sale of investments and the market value of investments as of the end of the preceding year or the average cost of those assets if acquired during the current year. Unrealized appreciation or depreciation of investments represents the increase or decrease in market value during the year.

Payment of Benefits

Benefits are recorded when paid.

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These investments are subject to market or credit risks customarily associated with debt and equity investments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest, which approximates fair value.

Reclassification

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

3 - Investments

The following tables present the individual investments that exceeded 5% of the Plan's net assets available for benefits at December 31:

Description	2011
Guaranteed Income Fund	$16,397,871
American Funds EuroPacific Growth Fund R4	10,864,023
Franklin Growth Advantage Fund	7,883,499
John Hancock Disciplined Value Fund A	7,224,807
EXCO Resources, Inc. Common Stock	5,598,127
PIMCO Total Return Institutional Fund	5,322,840
JP Morgan Government Bond Select Fund A	5,315,661

Description	2010
Guaranteed Income Fund	$12,703,397
EXCO Resources, Inc. Common Stock	9,304,761
Growth Fund of America Fund R4	8,213,573
John Hancock Disciplined Value Fund A	7,724,824
American Funds EuroPacific Growth Fund R4	5,989,785
PIMCO Total Return Bond Administration Fund	3,918,211
JP Morgan Government Bond Select Fund A	3,685,954

Common stock of the Company represented approximately 8% and 15% of total net assets available for benefits at December 31, 2011 and 2010, respectively.

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) changed in value as follows:

	2011	2010
Mutual funds of registered investment companies	$ (1,624,134)	$ 4,123,609
EXCO Resources, Inc. Common Stock	(4,337,061)	(532,779)
	$ (5,961,195)	$ 3,590,830

4 - Fair Value Measurements

The Plan discloses fair value measurements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures. FASB ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In establishing a fair value hierarchy for the Plan's investments, in accordance with ASC 820, the following value methodologies were used for each type of investment:

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

4 - Fair Value Measurements **(continued)**

Guaranteed income fund: Valued at contract value which equals fair value as a fair value adjustment does not apply upon discontinuance. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees.

EXCO Resources, Inc Common Stock: Valued at the closing price reported on the active market on which shares of EXCO common stock are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 16,397,871	$ 16,397,871
Equity funds	30,781,217	-	-	30,781,217
International stock funds	11,876,473	-	-	11,876,473
Speciality funds	1,162,423	-	-	1,162,423
Fixed income funds	6,268,577	-	-	6,268,577
Balanced funds	461,926	-	-	461,926
EXCO Resources, Inc Common Stock	5,598,127	-	-	5,598,127
	$ 56,148,743	$ -	$ 16,397,871	$ 72,546,614

4 - Fair Value Measurements (continued)

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 12,703,397	$ 12,703,397
Equity funds	24,246,505	-	-	24,246,505
International stock funds	6,806,198	-	-	6,806,198
Specialty funds	775,773	-	-	775,773
Fixed income funds	8,155,423	-	-	8,155,423
Balanced funds	306,627	-	-	306,627
EXCO Resources, Inc. Common Stock	9,304,761	-	-	9,304,761
	$ 49,595,287	$ -	$ 12,703,397	$ 62,298,684

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010, respectively:

	2011	2010
Balance, beginning of period	$ 12,703,397	$ -
Deposits	3,518,710	12,923,182
Interest and dividends	432,888	320,906
Distributions	(235,302)	(314,496)
Other net transfer activity	(21,822)	(226,195)
Balance, end of period	$ 16,397,871	$ 12,703,397

5 - Investment Contract with Insurance Company

During 2010 and 2011, the Plan invested in a Fixed Rate Fund, classified as a Stable Value Fund, with Prudential, or the FRF. The FRF is a fully benefit responsive contract and is valued at fair value. Accordingly, the contract meets all of the following criteria:

a. The investment contract is affected directly between the FRF and the issuer and prohibits the FRF from assigning or selling the contract or its proceeds to another party without the consent of the issuer.

b. The contract issuer is obligated to (i) repay principal and interest, or (ii) prospective crediting rate adjustments with an assurance the crediting rate will not be less than zero.

c. The terms of the contract require all permitted participant-initiated transactions with the FRF to occur at contract value with no conditions, limits, or restrictions. Permitted participant-initiated transactions are those transactions allowed by the underlying defined-contribution plan, such as withdrawals for benefits, loans, or transfers to other funds within the Plan.

d. An event that limits the ability of the FRF to transact at contract value with the issuer (for example, premature termination of the contracts by the RFR, plant closings, layoffs, plan termination, bankruptcy, mergers, and early retirement incentives) and that also limits the ability of the FRF to transact at contract value with the participants in the FRF must be probable of not occurring.

e. The FRF itself must allow participants reasonable access to their funds.

The estimated fair value of the FRF as of December 31, 2011 and 2010 respectively is $16,397,871 and $12,703,397. The fair value was calculated using the following methodology:

1. A present value of expected cash flow method was used to develop fair value.

2. Cash flows were estimated based on the termination provisions of the contract. The contract allows for an installment payout over a 5-year period. The balance of the Fund grows over the 5-year period at the expected crediting rate less 50 basis points.

3. Market rates of interest used to discount the cash flows were based upon the T. Rowe Price Index. The data includes contract rates for major guaranteed investment contract providers over the expected 5-year time period.

The FRF represents fixed dollar accounts of an unallocated group annuity contract. The investment in the contract is presented at fair value. An adjustment, if material, is made to the fair value in the statement of net assets available for benefits to present the investment at contract value. As this product is not a traditional Guaranteed Investment Contract, there are no known cash flows that could be discounted. As a result, the fair value amount typically equals contract value.

5 - Investment Contract with Insurance Company **(continued)**

There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The interest crediting rate is determined quarterly. The minimum crediting rate is 1.5%. The interest crediting rate is calculated based upon many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. Key factors that could influence future interest crediting rates are changes in interest rates, and default or credit failures of the securities underlying the Fund's cash flows.

There is no relationship between future crediting rates and the adjustment to contract value reported in the statement of net assets available for benefits.

The average market yield of the FRF for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. The average yield earned by the FRF that reflects the actual interest credited to participants for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. There is no event that limits the ability of the Plan to transact at contract value with the issuer. There are also no events and circumstances that would allow the issuer to terminate the fully benefit-responsive investment contract with the Plan and settle at an amount different from contract value.

6 - Tax Status

The Company has adopted the Prudential Insurance Company of America Prototype Non-Standardized Profit Sharing Plan, which has been approved by the IRS on March 31, 2008, for use by employers as a qualified plan. The Plan is qualified under Section 401(a) of the Code and is exempt from federal income taxation. The Plan has been amended since receiving the determination letter. The Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan continues to be qualified and the related trust is tax exempt.

7 - Transactions with Parties-in-Interest

Participants have the option to invest their salary deferrals into the common stock of the Company. Transactions in the Company's common stock qualify as parties-in-interest transactions, which are exempt from the prohibited transaction rules. Additionally, Plan investments include shares of mutual funds and a guaranteed investment fund managed by Prudential. Prudential acted in capacity as a Trustee to the Plan during the year; therefore, these investments qualify as party-in-interest investments.

8 - Reconciliation of Financial Statements to Form 5500

There are no material reconciling items between the net assets reported in the audited financial statements and the Schedule H of the Form 5500 for the year-ended December 31, 2011.

9 - Acquisition Proposal

On October 29, 2010, our Chairman and Chief Executive Officer, Douglas H. Miller, presented a letter to our board of directors indicating an interest in acquiring all of the outstanding shares of the Company's stock not already owned by Mr. Miller for a cash purchase price of $20.50 per share. The proposal did not represent a definitive offer and there was no assurance that a definitive offer would be made or accepted, that any agreement would be executed or that any transaction would be consummated. Our board of directors established a special committee on November 4, 2010 comprised of two independent directors to, among other things, evaluate and determine the Company's response to the October 29, 2010 proposal.

On January 13, 2011, the special committee of the board of directors announced it would explore strategic alternatives to maximize shareholder value, including a potential sale of the Company. As part of a comprehensive process, the special committee stated that it would consider Mr. Miller's proposal as well as acquisition proposals the special committee may receive from other interested parties and other strategic alternatives potentially available to the Company.

On July 8, 2011, after consultation with its independent financial and legal advisors, the special committee released a statement that its review of strategic alternatives did not result in any firm proposal or any other proposal that was in the best interests of the Company and its shareholders and that they had terminated the review process.

10 - Subsequent Event

In accordance with FASB ASC 855, "Subsequent Events", the Company has evaluated events or transactions occurring after December 31, 2011, the Statement of Net Assets Available for Benefits date, through June 28, 2012, the date the financial statements were issued, and determined no such events or transactions which would impact our financial statements for the year ended December 31, 2011.

SUPPLEMENTAL SCHEDULE

EXCO RESOURCES, INC. 401(K) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT YEAR END)
EMPLOYER ID NUMBER: 74-1492779, PLAN NUMBER 001
DECEMBER 31, 2011

(a)	(b) Identity of Issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Mutual funds of registered investment companies:		
*	Prudential Investment Management Services LLC	Prudential Jennison Middle Capital Growth Fund Class Z	$ 2,474,037
	John Hancock	John Hancock Disciplined Value Fund A	7,224,807
	Lord Abbett	Lord Abbett Developing Growth I Fund	2,610,555
*	Prudential Investment Management Services LLC	Target Small Capitalization Value Fund	2,463,748
	American Funds	American Funds EuroPacific Growth Fund R4	10,864,023
*	Prudential Investment Management Services LLC	Victory Established Value Fund A	2,194,360
*	Prudential Investment Management Services LLC	Prudential Global Real Estate Fund Class Z	154,764
	Oppenheimer	Oppenheimer Developing Markets Fund Y	793,480
	Pioneer	Pioneer Strategic Income Fund Y	314,410
*	Prudential Investment Management Services LLC	Prudential Jennison Natural Resources Fund Z	1,007,660
	Columbia Acorn	Columbia Acorn International Fund Z	218,970
	Oppenheimer	Oppenheimer International Bond Fund Y	396,305
*	Prudential Investment Management Services LLC	Prudential Stock Index Fund Class Z	211,749
	PIMCO	PIMCO Real Return Institutional Fund	235,022
	Oakmark	Oakmark Equity and Income Fund	461,926
	Invesco Ltd.	Invesco Middle Capital Core Equity I Fund	143,858
	Invesco Ltd.	Invesco Charter Institutional Fund	147,335
	Vanguard	Vanguard Small Capital Index Fund	111,607
	PIMCO	PIMCO Total Return Institutional Fund	5,322,840
	Franklin	Franklin Growth Advantage Fund	7,883,499
	JP Morgan	JP Morgan Government Bond Fund A	5,315,661
	Total mutual funds of registered investment companies		50,550,616
	Guaranteed Income Fund		
*	Prudential Investment Management Services LLC	Guaranteed Income Fund	16,397,871
	Plan sponsor stock:		
*	EXCO Resources	EXCO Resources, Inc. Common Stock	5,598,127
	Notes receivable from participants:		
*	Participants	Notes receivable from participants, interest rates range from 4.25% to 10.25% with maturities of January 2012 through December 2038	1,410,307
		Total investments	$ 73,956,921

*Party-in-interest

Note: Category (d) cost of the investments is excluded from this schedule as all investments are participant directed

EXCO RESOURCES, INC. 401(K) PLAN

Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

(With Independent Auditor's Report Thereon)

MONTGOMERY COSCIA GREILICH LLP

Certified Public Accountants

EXCO RESOURCES, INC. 401(K) PLAN

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Statements of Changes in Net Assets Available for Benefits Year ended December 31, 2011 and 2010	3
Notes to Financial Statements	4
Supplemental Schedule:	
Schedule H, Line 4i-Schedule of Assets (Held at Year End) December 31, 2011	16

Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Savings Income Security Act of 1974.

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Independent Auditor's Report

To the Participants and Trustees of
EXCO Resources, Inc. 401(K) Plan

We have audited the accompanying statements of net assets available for benefits of the EXCO Resources Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010 and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years ended December 31, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

MONTGOMERY COSCIA GREILICH LLP

Plano, Texas
June 28, 2012

EXCO RESOURCES, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Employer Stock	$ 5,598,127	$ 9,304,761
Guaranteed Income Fund	16,397,871	12,703,397
Mutual funds of registered investment companies	50,550,616	40,290,526
Total investments	72,546,614	62,298,684
Notes receivable from participants	1,410,307	838,166
Net assets available for benefits	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

EXCO RESOURCES, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to net assets available for plan benefits attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ (5,961,195)	$ 3,590,830
Interest and dividends	1,164,038	-
Interest on notes receivable from participants	50,958	44,442
Other income	54,962	-
Total investment income (loss)	(4,691,237)	3,635,272
Contributions:		
Employer, net	9,176,885	7,587,087
Participant	9,402,059	7,763,511
Rollover	530,497	1,065,741
Total contributions	19,109,441	16,416,339
Total investment income (loss) and contributions	14,418,204	20,051,611
Deductions from net assets attributed to:		
Benefits paid to participants	3,546,128	6,237,092
Other expenses	52,005	5,901
Total deductions	3,598,133	6,242,993
Increase in net assets available for benefits	10,820,071	13,808,618
Net assets available for benefits:		
Beginning of year	63,136,850	49,328,232
End of year	$ 73,956,921	$ 63,136,850

The accompanying notes are an integral part of these financial statements.

1 - Description of the Plan

Plan Description

The EXCO Resources, Inc. 401(k) Plan (the "Plan"), formerly known as EXCO Resources, Inc. Employee Savings Trust, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on January 1, 1999. The Plan is sponsored by EXCO Resources, Inc. (the "Company" or "Plan Sponsor"). Prudential Bank and Trust Company, FSB is the Trustee (the "Trustee" or "Prudential") of the Plan and Prudential Retirement Insurance and Annuity Company (the "Administrator") is the record-keeper for the Plan. The following descriptions provide only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Participant Accounts and Eligibility

Employees become eligible for participation at the age of 18 and upon completing 30 days of eligible service, as defined by the Plan document. Subject to certain limitations on annual contributions, each participant's account is credited with employee salary deferrals, Company matching and discretionary contributions, an allocation of Plan earnings, and administrative expenses related to loan and distribution fees, if applicable.

Contributions

Each year, a participant may elect to contribute a portion of his or her pretax compensation up to 50%, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($16,500 for the calendar years ended 2011 and 2010). Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($5,500 for the calendar years ended 2011 and 2010). Rollover contributions representing distributions from other qualified defined benefit or contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

In 2011 and 2010, the Plan Sponsor matched 100% of all employee contributions.

Effective February 1, 2010 employees are automatically enrolled in the Plan with a contribution of 3% of compensation, unless otherwise directed. Additionally, unless the participant specifically elects otherwise, the automatic deferrals will be increased by 1% of compensation each year of the anniversary of enrollment date, to a maximum deferral rate of 6%. Automatic enrollment deferrals are defaulted into a moderate risk tolerance fund based on the participant's age.

1 - Description of the Plan **(continued)**

Vesting

Participants are immediately fully vested in their elective contributions plus actual earnings thereon. Participants hired prior to January 1, 2008, were immediately fully vested in their Company matching contributions. Participants hired on or subsequent to January 1, 2008, vest in their Company matching contributions plus actual earnings thereon based on the following schedule:

One-year anniversary of hire	25%
Two-year anniversary of hire	50%
Three-year anniversary of hire	75%
Four-year anniversary of hire	100%

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to 50% of their vested account balance, not to exceed $50,000. Note terms range from one to five years or, in the case of a loan to acquire or construct the primary residence of a participant, a period not to exceed 10 years. Prior to 2009, a note to acquire or construct the primary residence was allowed a repayment period used by commercial lenders for similar loans. The notes receivable from participants are secured by the balance in the participant's account and bear interest at the prime rate plus 1.00%, as defined by the Participant Loan Policy. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. At December 31, 2011, maturity dates on existing notes receivable from participants ranged from January 2012 through December 2038 and had interest rates from 4.25% to 10.25%. At December 31, 2010, maturity dates on existing notes receivable from participants ranged from February 2011 through December 2038 and had interest rates from 4.25% to 10.25%.

Investment Options

The Plan provides for contributions to be invested by the Trustee among a variety of mutual fund options, a guaranteed income fund and the Company stock fund, in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the Plan website for additional fund information.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event of such termination of the Plan, the net assets of the Plan would be distributed among the participants in accordance with ERISA.

1 - Description of the Plan **(continued)**

Benefit Payments

Participants withdrawing amounts from their account during the year for reasons of disability, retirement, death (withdrawn by participant's estate), or termination are entitled to their vested account balance. For vested account balances greater than $5,000, participants may elect a distribution in the form of rollovers, lump sums, or installment payments. Upon termination, vested account balances less than $5,000 may be automatically distributed to the applicable terminated participant.

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) on account of uninsured medical expenses incurred by the participant, their spouse or dependents; (2) to purchase (excluding mortgage payments) a principal residence of the participant; (3) for the payment of post-secondary tuition expenses incurred by the participant, their spouse or dependents; (4) needed to prevent eviction of the participant from his or her principal residence or foreclosure upon the mortgage of the participant's principal residence; (5) for funeral or burial expenses for the participant's deceased parent, participant's spouse, children or dependents; or (6) for expenses to repair damage to the participant's principal residence that would qualify for the casualty income tax deduction.

Forfeitures

The Plan allows for the forfeited balances of terminated participants' non-vested accounts to be utilized to reduce employer contributions or pay Plan expenses. During the years ended December 31, 2011 and 2010, forfeited balances used to reduce employer contributions were $225,174 and $189,011, respectively. At December 31, 2011 and 2010, the balances in the forfeiture account were $1,539 and $219, respectively.

Administrative Expenses

Administrative expenses are paid by the Company except for investment expenses relating to the purchase or sale of directed investment options, which are paid for directly by participants.

2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

2 - Summary of Significant Accounting Policies **(continued)**

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

Investment Valuation and Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net realized gains or losses on investments is the difference between the proceeds received upon the sale of investments and the market value of investments as of the end of the preceding year or the average cost of those assets if acquired during the current year. Unrealized appreciation or depreciation of investments represents the increase or decrease in market value during the year.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

These investments are subject to market or credit risks customarily associated with debt and equity investments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest, which approximates fair value.

Reclassification

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

3 - Investments

The following tables present the individual investments that exceeded 5% of the Plan's net assets available for benefits at December 31:

Description	2011
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4 - Fair Value Measurements

The Plan discloses fair value measurements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures. FASB ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

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Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In establishing a fair value hierarchy for the Plan's investments, in accordance with ASC 820, the following value methodologies were used for each type of investment:

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

4 - Fair Value Measurements **(continued)**

Guaranteed income fund: Valued at contract value which equals fair value as a fair value adjustment does not apply upon discontinuance. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees.

EXCO Resources, Inc Common Stock: Valued at the closing price reported on the active market on which shares of EXCO common stock are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 16,397,871	$ 16,397,871
Equity funds	30,781,217	-	-	30,781,217
International stock funds	11,876,473	-	-	11,876,473
Speciality funds	1,162,423	-	-	1,162,423
Fixed income funds	6,268,577	-	-	6,268,577
Balanced funds	461,926	-	-	461,926
EXCO Resources, Inc Common Stock	5,598,127	-	-	5,598,127
	$ 56,148,743	$ -	$ 16,397,871	$ 72,546,614

4 - Fair Value Measurements (continued)

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Stable value fund (note 5)	$ -	$ -	$ 12,703,397	$ 12,703,397
Equity funds	24,246,505	-	-	24,246,505
International stock funds	6,806,198	-	-	6,806,198
Specialty funds	775,773	-	-	775,773
Fixed income funds	8,155,423	-	-	8,155,423
Balanced funds	306,627	-	-	306,627
EXCO Resources, Inc. Common Stock	9,304,761	-	-	9,304,761
	$ 49,595,287	$ -	$ 12,703,397	$ 62,298,684

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010, respectively:

	2011	2010
Balance, beginning of period	$ 12,703,397	$ -
Deposits	3,518,710	12,923,182
Interest and dividends	432,888	320,906
Distributions	(235,302)	(314,496)
Other net transfer activity	(21,822)	(226,195)
Balance, end of period	$ 16,397,871	$ 12,703,397

5 - Investment Contract with Insurance Company

During 2010 and 2011, the Plan invested in a Fixed Rate Fund, classified as a Stable Value Fund, with Prudential, or the FRF. The FRF is a fully benefit responsive contract and is valued at fair value. Accordingly, the contract meets all of the following criteria:

a. The investment contract is affected directly between the FRF and the issuer and prohibits the FRF from assigning or selling the contract or its proceeds to another party without the consent of the issuer.

b. The contract issuer is obligated to (i) repay principal and interest, or (ii) prospective crediting rate adjustments with an assurance the crediting rate will not be less than zero.

c. The terms of the contract require all permitted participant-initiated transactions with the FRF to occur at contract value with no conditions, limits, or restrictions. Permitted participant-initiated transactions are those transactions allowed by the underlying defined-contribution plan, such as withdrawals for benefits, loans, or transfers to other funds within the Plan.

d. An event that limits the ability of the FRF to transact at contract value with the issuer (for example, premature termination of the contracts by the RFR, plant closings, layoffs, plan termination, bankruptcy, mergers, and early retirement incentives) and that also limits the ability of the FRF to transact at contract value with the participants in the FRF must be probable of not occurring.

e. The FRF itself must allow participants reasonable access to their funds.

The estimated fair value of the FRF as of December 31, 2011 and 2010 respectively is $16,397,871 and $12,703,397. The fair value was calculated using the following methodology:

1. A present value of expected cash flow method was used to develop fair value.

2. Cash flows were estimated based on the termination provisions of the contract. The contract allows for an installment payout over a 5-year period. The balance of the Fund grows over the 5-year period at the expected crediting rate less 50 basis points.

3. Market rates of interest used to discount the cash flows were based upon the T. Rowe Price Index. The data includes contract rates for major guaranteed investment contract providers over the expected 5-year time period.

The FRF represents fixed dollar accounts of an unallocated group annuity contract. The investment in the contract is presented at fair value. An adjustment, if material, is made to the fair value in the statement of net assets available for benefits to present the investment at contract value. As this product is not a traditional Guaranteed Investment Contract, there are no known cash flows that could be discounted. As a result, the fair value amount typically equals contract value.

5 - Investment Contract with Insurance Company **(continued)**

There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The interest crediting rate is determined quarterly. The minimum crediting rate is 1.5%. The interest crediting rate is calculated based upon many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. Key factors that could influence future interest crediting rates are changes in interest rates, and default or credit failures of the securities underlying the Fund's cash flows.

There is no relationship between future crediting rates and the adjustment to contract value reported in the statement of net assets available for benefits.

The average market yield of the FRF for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. The average yield earned by the FRF that reflects the actual interest credited to participants for the years ended December 31, 2011 and 2010 was 2.90% and 3.10%. There is no event that limits the ability of the Plan to transact at contract value with the issuer. There are also no events and circumstances that would allow the issuer to terminate the fully benefit-responsive investment contract with the Plan and settle at an amount different from contract value.

6 - Tax Status

The Company has adopted the Prudential Insurance Company of America Prototype Non-Standardized Profit Sharing Plan, which has been approved by the IRS on March 31, 2008, for use by employers as a qualified plan. The Plan is qualified under Section 401(a) of the Code and is exempt from federal income taxation. The Plan has been amended since receiving the determination letter. The Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan continues to be qualified and the related trust is tax exempt.

7 - Transactions with Parties-in-Interest

Participants have the option to invest their salary deferrals into the common stock of the Company. Transactions in the Company's common stock qualify as parties-in-interest transactions, which are exempt from the prohibited transaction rules. Additionally, Plan investments include shares of mutual funds and a guaranteed investment fund managed by Prudential. Prudential acted in capacity as a Trustee to the Plan during the year; therefore, these investments qualify as party-in-interest investments.

8 - Reconciliation of Financial Statements to Form 5500

There are no material reconciling items between the net assets reported in the audited financial statements and the Schedule H of the Form 5500 for the year-ended December 31, 2011.

9 - Acquisition Proposal

On October 29, 2010, our Chairman and Chief Executive Officer, Douglas H. Miller, presented a letter to our board of directors indicating an interest in acquiring all of the outstanding shares of the Company's stock not already owned by Mr. Miller for a cash purchase price of $20.50 per share. The proposal did not represent a definitive offer and there was no assurance that a definitive offer would be made or accepted, that any agreement would be executed or that any transaction would be consummated. Our board of directors established a special committee on November 4, 2010 comprised of two independent directors to, among other things, evaluate and determine the Company's response to the October 29, 2010 proposal.

On January 13, 2011, the special committee of the board of directors announced it would explore strategic alternatives to maximize shareholder value, including a potential sale of the Company. As part of a comprehensive process, the special committee stated that it would consider Mr. Miller's proposal as well as acquisition proposals the special committee may receive from other interested parties and other strategic alternatives potentially available to the Company.

On July 8, 2011, after consultation with its independent financial and legal advisors, the special committee released a statement that its review of strategic alternatives did not result in any firm proposal or any other proposal that was in the best interests of the Company and its shareholders and that they had terminated the review process.

10 - Subsequent Event

In accordance with FASB ASC 855, "Subsequent Events", the Company has evaluated events or transactions occurring after December 31, 2011, the Statement of Net Assets Available for Benefits date, through June 28, 2012, the date the financial statements were issued, and determined no such events or transactions which would impact our financial statements for the year ended December 31, 2011.

SUPPLEMENTAL SCHEDULE

EXCO RESOURCES, INC. 401(K) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT YEAR END)
EMPLOYER ID NUMBER: 74-1492779, PLAN NUMBER 001
DECEMBER 31, 2011

(a)	(b) Identity of Issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Mutual funds of registered investment companies:		
*	Prudential Investment Management Services LLC	Prudential Jennison Middle Capital Growth Fund Class Z	$ 2,474,037
	John Hancock	John Hancock Disciplined Value Fund A	7,224,807
	Lord Abbett	Lord Abbett Developing Growth I Fund	2,610,555
*	Prudential Investment Management Services LLC	Target Small Capitalization Value Fund	2,463,748
	American Funds	American Funds EuroPacific Growth Fund R4	10,864,023
*	Prudential Investment Management Services LLC	Victory Established Value Fund A	2,194,360
*	Prudential Investment Management Services LLC	Prudential Global Real Estate Fund Class Z	154,764
	Oppenheimer	Oppenheimer Developing Markets Fund Y	793,480
	Pioneer	Pioneer Strategic Income Fund Y	314,410
*	Prudential Investment Management Services LLC	Prudential Jennison Natural Resources Fund Z	1,007,660
	Columbia Acorn	Columbia Acorn International Fund Z	218,970
	Oppenheimer	Oppenheimer International Bond Fund Y	396,305
*	Prudential Investment Management Services LLC	Prudential Stock Index Fund Class Z	211,749
	PIMCO	PIMCO Real Return Institutional Fund	235,022
	Oakmark	Oakmark Equity and Income Fund	461,926
	Invesco Ltd.	Invesco Middle Capital Core Equity I Fund	143,858
	Invesco Ltd.	Invesco Charter Institutional Fund	147,335
	Vanguard	Vanguard Small Capital Index Fund	111,607
	PIMCO	PIMCO Total Return Institutional Fund	5,322,840
	Franklin	Franklin Growth Advantage Fund	7,883,499
	JP Morgan	JP Morgan Government Bond Fund A	5,315,661
	Total mutual funds of registered investment companies		50,550,616
	Guaranteed Income Fund		
*	Prudential Investment Management Services LLC	Guaranteed Income Fund	16,397,871
	Plan sponsor stock:		
*	EXCO Resources	EXCO Resources, Inc. Common Stock	5,598,127
	Notes receivable from participants:		
*	Participants	Notes receivable from participants, interest rates range from 4.25% to 10.25% with maturities of January 2012 through December 2038	1,410,307
		Total investments	$ 73,956,921

*Party-in-interest

Note: Category (d) cost of the investments is excluded from this schedule as all investments are participant directed