

<p style="text-align: center;"><b>EXCO TECHNOLOGIES LIMITED</b> <b>MANAGEMENT INFORMATION CIRCULAR</b></p>
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### **SOLICITATION OF PROXIES**

This information circular is furnished in connection with the solicitation by the management of Exco Technologies Limited (the "Corporation") of proxies to be used at the annual meeting of shareholders of the Corporation to be held on Wednesday, January 28, 2004, at 4:30 p.m., and at all adjournments thereof, for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of proxy are directors of the Corporation. A shareholder has the right to appoint a person to represent such shareholder at the meeting other than the persons designated in the accompanying form of proxy. Such right may be exercised by inserting in the space provided the name of the other person the shareholder wishes to appoint. Such other person need not be a shareholder of the Corporation.

To be valid, proxies must be deposited with The CIBC Mellon Trust Company, Proxy Department, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9, not later than the close of business (Toronto time) on January 27, 2004.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so (1) by completing and signing a proxy bearing a later date and depositing it as described above; (2) by depositing an instrument in writing executed by such shareholder or by such shareholder's attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the chairman of such meeting on the day of the meeting or any adjournment thereof; or (3) in any other manner permitted by law.

### **VOTING OF PROXIES**

The shares represented by the accompanying form of proxy will be voted or withheld from voting in accordance with the specifications of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If no specification has been made with respect to any such matter, such shares will be voted by the management representatives in the election of directors and in the appointment of auditors and the determination of their remuneration.

The accompanying form of proxy confers discretionary authority upon the management representatives named therein with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting. At the date of this information circular, the management of the Corporation knows of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the person voting it.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As of the date hereof, the Corporation has outstanding 40,355,872 common shares. Each common share ("Common Share") entitles the holder of record, as of the close of business on December 12, 2003, the record date established for notice of the meeting, to one vote on all matters to come before the meeting, or any adjournment thereof, except to the extent that a person has transferred any such shares after that date and the transferee of such shares (i) establishes that he owns such shares, and (ii) makes a written demand to be added to the shareholders' list, both at least 10 days before the date of the meeting, to the Secretary of the Corporation at the Corporation's registered office, in which case the transferee will be entitled to vote such shares.

Corporations owned or controlled by Brian A. Robbins and/or trusts of which the beneficiaries are Brian A. Robbins, his wife and children beneficially own 8,500,546 Common Shares. Brian A. Robbins also beneficially owns an additional 490,254 Common Shares, which together with the Common Shares referred to in the immediately preceding sentence, represent approximately 22% of the issued and outstanding Common Shares. In addition, the Corporation has been advised that Van Berkom and Associates Inc., a registered investment counsel and portfolio manager, holds, as manager in one or more of its pension fund and mutual fund clients' accounts, 4,438,300 Common Shares, representing approximately 11% of all the issued and outstanding Common Shares. To the knowledge of the directors or officers of the Corporation, no other person beneficially owns, or exercises control or direction over more than 10% of the issued and outstanding Common Shares.

## **ELECTION OF DIRECTORS**

The articles of the Corporation provide for a minimum of 3 and a maximum of 15 directors. By resolution of the shareholders of the Corporation dated July 22, 1998, the number of directors was set at 6 and the Board of Directors was empowered to determine the number of directors from time to time. The number of directors to be elected at this meeting is 6.

The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting or until his successor is elected or appointed, unless his office is earlier vacated.

The following summary sets forth the names of all persons proposed to be nominated for election as directors, all other major positions and offices with the Corporation now held by them, their principal occupations, their periods of service as directors of the Corporation or its predecessor Corporation, Extrusion Machine Co. Limited, where applicable, and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them, as of November 20, 2003.

<u>Nominee for Election as Director</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Other Positions and Offices Presently Held With Corporation</u>	<u>Common Shares Owned or Controlled</u>
Helmut Hofmann (2) (3)	January 1991	Chairman, Heroux-Devtek Inc. (manufacturing)	Chairman	130,000
Geoffrey F. Hyland (1) (2) (3)	January 2001	President and Chief Executive Officer, ShawCor Ltd. (energy services)		116,400
Richard D. McGraw (2) (3)	January 1992	President, Lochan Ora Group of Companies (investments)		146,600
Brian A. Robbins	January 1972	President and Chief Executive Officer of the Corporation		8,990,800 (*)
Brian J. Steck (1) (3)	January 2001	President, St. Andrews Financial Corporation (investments)		10,000
Ralph J. Zarboni (1) (3)	January 1999	Chairman & CEO, The EM Group (plastic and electric products distribution)		40,000

(1) Member of the Audit Committee

(2) Member of the Human Resources and Compensation Committee

(3) Member of the Governance and Nominating Committee

(\*) 8,500,546 of these shares are held by corporations owned by or on behalf of Brian A. Robbins and his family. See section headed "Voting Shares and Principal Holders Thereof".

## **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to vote for the reappointment of Ernst & Young LLP, Chartered Accountants, Toronto, Ontario as auditors of the Corporation to hold office until the next annual meeting of shareholders at a remuneration to be determined by the directors of the Corporation. Ernst & Young LLP, were first appointed auditors of the Corporation on January 22, 1992.

## **EXECUTIVE COMPENSATION**

### **Summary Compensation Table**

The following table provides a summary of compensation earned during each of the last three fiscal years by the Chief Executive Officer and the two most highly compensated executive officers who served as executive officers of the Corporation at the end of the fiscal year ended September 30, 2003 (the "Named Executive Officers").

Name and Principal Position	Year	Annual Compensation		Other Annual Compensation (1)	Long-Term Compensation Awards	All Other Compensation
		Salary	Bonus		Securities Under Options Granted (2)	
Brian A. Robbins President and Chief Executive Officer	2003	\$348,128	\$705,228	\$94,202	Nil	Nil
	2002	348,128	736,276	-	Nil	Nil
	2001	348,128	297,234	-	54,834	Nil
Bonnie M. Cartwright Vice-President, Business Development	2003	\$190,000	\$100,000	-	20,000	Nil
	2002	160,000	76,500	-	28,000	Nil
	2001	148,750	80,000	-	20,000	Nil
Scott E. Bond Vice-President Finance and Chief Financial Officer	2003	\$215,000	\$107,500	-	Nil	Nil
	2002	215,000	107,500	-	Nil	Nil
	2001	206,250	94,063	-	Nil	Nil

(1) The value of annual perquisites and benefits for each of the Named Executive Officers is shown only when the value exceeds the lesser of \$50,000 and 10% of the total annual salary and bonus.

(2) Figures reflect 2 for 1 stock dividend paid February 2003.

**Option Grants During the Most Recently Completed Financial Year  
or Issued in Lieu of Annual Bonuses in Respect of That Year**

Option Grants During the 2003 Financial Year					
Name	Securities Under Options Granted	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Bonnie M. Cartwright	20,000	9.1%	\$5.88	\$5.88	Apr 30, 2007

**Aggregated Option Exercises During the Most Recently Completed  
Financial Year and Financial Year-End Option Values**

The following table summarizes for each of the Named Executive Officers, the number of stock options exercised during the financial year ended September 30, 2003, the aggregate value realized upon the exercise and the total number and value of unexercised options held at September 30, 2003.

Name	Shares Acquired On Exercise	Aggregate Value Realized (1)	Unexercised Options at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options at FY-End (2) (\$) Exercisable/Unexercisable
Brian A. Robbins	0	0	367,862 / 104,870	1,303,343/340,339
Bonnie M. Cartwright	0	0	12,000 / 56,000	42,200/120,460
Scott E. Bond	0	0	287,072 / 36,958	966,007/107,357

- (1) Aggregate value realized is the difference between the market value, based on the closing price of the common shares on the Toronto Stock Exchange (the "TSX") on the exercise date and, respectively, the exercise or base price of the option.
- (2) Aggregate value of unexercised in-the-money options at financial year-end is the difference between the market value of the underlying common shares at financial yearend, based on the closing price of the common shares on the TSX, and, respectively, the exercise or base price of the option.

### **Composition of Human Resources and Compensation Committee**

The Human Resources and Compensation Committee consists of three directors, Helmut Hofmann, Richard D. McGraw (Committee Chairman) and Geoffrey Hyland, all outside directors. To assist it in achieving its goals, the Committee calls on the assistance of compensation consultants from time to time.

### **Report on Executive Compensation**

The Human Resources and Compensation Committee is responsible for recommending, for approval by the Board of Directors, the remuneration package of the senior officers of the Corporation.

The remuneration of the senior officers of the Corporation consists of three components: base salary, the annual bonus incentive program and a long-term incentive program which, to date, has been in the form of a stock option plan.

The Corporation pays base salaries that are competitive with salaries paid for similar positions within the North American marketplace.

The annual bonus incentive program is designed to compensate the Named Executive Officers for the financial performance of the operations for which they are responsible. Accordingly, the annual bonus payable is based upon a percentage of the pre-tax profit of the relevant operation(s). The remuneration of the Chief Executive Officer is based on the consolidated pre-tax profit of the Corporation after deducting a cost of capital charge.

Stock options align the interests of the senior officers of the Corporation with the shareholders since the options have no value to the senior officers unless the price of the Corporation's stock increases. Stock options are awarded based on both the performance of the individuals awarded such options and can also be "purchased" in lieu of receiving a portion of an annual cash bonus earned in a year.

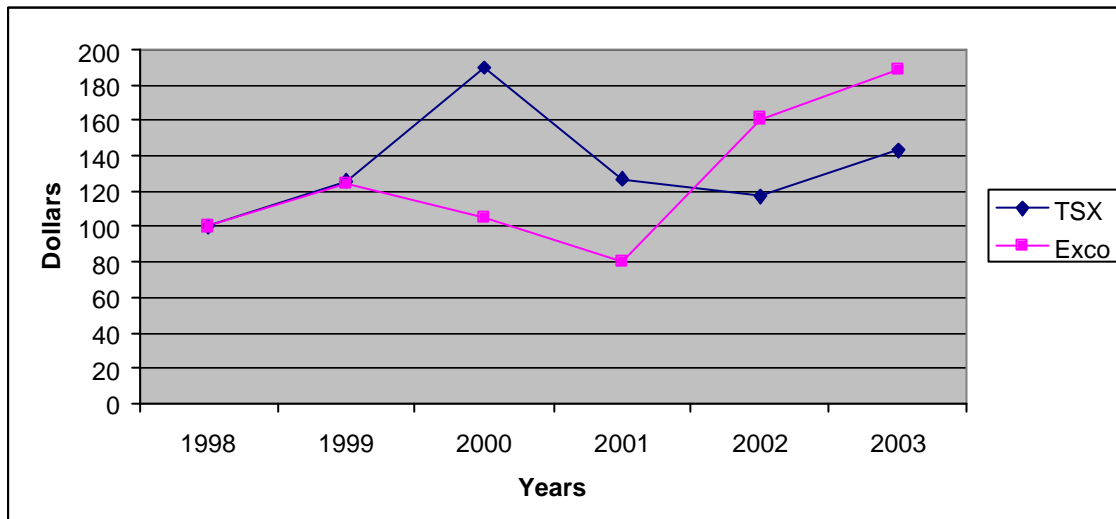
The performance of the Corporation and continued growth in the value of its shares is dependent on striking a balance between short-term and long-term objectives. The Human Resources and Compensation Committee believes that the remuneration of its key people should mirror these objectives. The Committee believes that the Corporation's remuneration package consisting of competitive base salaries, annual bonus incentive program and its stock option plan achieves this goal.

Submitted by the Human Resources and Compensation Committee of the Board of Directors.

Richard D. McGraw - Chairman  
 Helmut Hofmann  
 Geoffrey Hyland

### PERFORMANCE GRAPH

The following graph illustrates the five-year cumulative total shareholder return (assuming reinvestment of dividends) of a \$100 investment in shares on September 30, 1998 to September 30, 2003 compared with the return on the S&P/TSX Composite Index.



	Sept 30/98	Sept 30/99	Sept 30/00	Sept 30/01	Sept 30/02	Sept 30/03
<b>TSX</b>	<b>100</b>	<b>126</b>	<b>190</b>	<b>127</b>	<b>117</b>	<b>143</b>
<b>Exco</b>	<b>100</b>	<b>124</b>	<b>105</b>	<b>80</b>	<b>161</b>	<b>189</b>

### REMUNERATION OF DIRECTORS

In fiscal 2003, the aggregate compensation received by the members of the board, from the Corporation and its subsidiaries, as directors, was \$106,750.

The directors, other than Brian A. Robbins, hold in the aggregate 177,500 stock options pursuant to the Corporation's Stock Option Plan.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has taken out directors' and officers' liability insurance in an amount of U.S. \$10,000,000 for annual premiums of approximately U.S. \$52,318. The Corporation will pay the first U.S. \$100,000 of any claim made under the policy.

## CORPORATE GOVERNANCE

The Board of Directors and management of the Corporation believe that effective corporate governance is essential to enhancing and protecting shareholder value. In 1999, the TSX revised its guidelines relating to corporate governance matters. All corporations listed on the TSX must now annually disclose their approach to corporate governance with specific reference to each of the Guidelines.

TSX Guidelines	Comments
1. The Board of Directors should explicitly assume responsibility for stewardship of the Corporation and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:	The primary role of the Board of Directors is one of stewardship and oversight of the Corporation's business activities on behalf of all stakeholders.  The Board relies on the Corporation's senior management team to develop, implement and be responsible for all operating activities. Monitoring change, effectiveness and integrity are requisites.
(a) adoption of a strategic planning process;	The Board conducts an annual review with the senior management team of the Corporation assessing its strategic goals and objectives. Once agreed upon and approved, the Board reviews consistency and effectiveness on a quarterly basis.
(b) the identification of the principal risks of the Corporation's business and ensuring implementation of appropriate systems to manage those risks.	The Board conducts an annual review of all the Corporation's operating divisions and departments so as to identify all relevant risks. Thereafter, it assesses the practices and procedures that are either in place or necessary changes to achieve desired results. On behalf of the Board, the audit committee spends additional time with both the auditors of the Corporation and the internal audit team to more closely monitor effective risk practises.
(c) succession planning, including appropriate training and monitoring senior management;	The Board and its Human Resources and Compensation committee review and assess the quality, effectiveness and growth potential of its senior management and staff to ensure ongoing leadership, strength and continuity.
(d) a communications policy for the Corporation; and	The Board has approved a Disclosure Policy that is designed to ensure that communications to the investing public are timely, factual, accurate and broadly disseminated in accordance with all regulatory requirements. The Disclosure Policy applies to directors, officers and such other employees of the Corporation who are privy to material undisclosed information regarding the Corporation. The Board also reviews all Press Releases, Reports to Shareholders and Annual Reports prior to issuance. The President and Vice-President Finance are primarily responsible for communications with shareholders and other stakeholders participating in regularly scheduled conference calls to discuss the Corporation's results.
(e) the integrity of the Corporation's internal control and management information systems.	The Audit Committee, relying on the auditors' input, monitors the quality and integrity of the Corporation's accounting and financial reporting, internal controls and management information systems.

<p>2. The Board should be constituted with a majority who qualify as “unrelated” directors.</p>	<p>The Board is comprised of six directors, five of whom qualify as independent and unrelated. Brian A. Robbins, President and Chief Executive Officer, is the only “related” director. The position of Chairman is a separate position from the Chief Executive Officer and the Chairman is not a member of management.</p>
<p>3. The application of the definition of “unrelated director” is the responsibility of the Board. The Board will be required to disclose on an annual basis whether it has a majority of unrelated directors. Management directors are related directors. The Board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.</p>	<p>Brian A. Robbins is the President and Chief Executive Officer of the Corporation. He is also a significant shareholder and therefore qualifies as “related”. The remaining members of the Board are independent of management and are free from any interest and any business or other relationship (other than interests arising from shareholdings), which could, or could reasonably be perceived to, materially interfere with any such director’s ability to act in the best interests of the Corporation.</p>
<p>4. The Board should appoint a committee of directors composed exclusively of outside, i.e. non-management directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis.</p>	<p>The governance and nominating committee consists of the five independent directors and is responsible for assessing the quality of directors and proposals for any new directors. The Chairman ultimately decides on any Board changes.</p>
<p>5. The Board should implement a process to be carried out by the appropriate committee for assessing the effectiveness of the Board as a whole, its Committees and the contribution of individual directors.</p>	<p>The Chairman of the Board assesses the contribution of each Board member and their contributions as committee members. Their appointment is reviewed and evaluated on an annual basis.</p>
<p>6. The Corporation should provide orientation and education programs for new recruits to the Board.</p>	<p>New directors are provided with appropriate background information that includes the Corporation’s financial results, business descriptions and organizational structure. Each director is invited to visit the operating facilities and meet with corporate and divisional management.</p>
<p>7. The Board should examine its size and undertake, where appropriate, a program to establish a Board size, which facilitates effective decision-making.</p>	<p>The Board currently has six members and is of the view that six to eight is the appropriate range to operate effectively.</p>
<p>8. The Board of Directors should review the form and adequacy of directors’ compensation to ensure that the compensation realistically reflects responsibility and risk involved in being an effective director.</p>	<p>The Human Resources and Compensation Committee annually reviews the compensation of directors to ensure that it is consistent with current market practices reflecting risk and responsibilities.</p>
<p>9. Board committees should generally be composed of outside directors, a majority of whom are unrelated directors although some board committees may include one or more inside directors.</p>	<p>All committees are comprised of unrelated directors.</p>



<p>10. The Board should assume responsibility for, or assign to a committee of directors, the general responsibility for developing the Corporation's approach to governance issues. This committee would, amongst other things, be responsible for the Corporation's response to these <u>governance guidelines</u>.</p>	<p>The Board is responsible for developing the Corporation's approach to corporate governance, monitoring the governance systems in place and responding to reassessing changes in the Guidelines.</p>
<p>11. The Board, together with the CEO, should develop position descriptions for both the Board and the CEO, including the definition of limits to management's responsibilities. The Board should also approve or develop the corporate objectives that the CEO is responsible for meeting and assess the CEO against these objectives.</p>	<p>In addition to matters that by law must be approved by the Board, the latter is responsible for significant changes in the Corporation's affairs. Accordingly, management is required to obtain Board approval prior to entering into any significant matters including but not limited to acquisitions, divestitures, capital expenditures and operating budgets. Although the Board has not specifically defined all limits of management's responsibilities, the Board meets regularly with all senior operating management to review operational activities, potential opportunities or limitations, economic overview consequences and, hence, intended or anticipated directives.</p> <p>The corporate objectives of the CEO are discussed quarterly when reviewing operating reports presented to the Board. The performance of the President and Management are assessed against the achievement of budget and the objectives established on an annual basis.</p>
<p>12. The Board should establish structures and procedures to ensure the Board of Directors can function independently of management. An appropriate structure would be to appoint (i) a Chair who is not a member of Management with the responsibility to ensure that the Board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the Board or to a director, sometimes referred to as the "lead director". The Chair or lead director should ensure that the Board carries out its responsibilities effectively which will involve the Board meeting on a regular basis without management present and may involve assigning the responsibility for administering the Board's relationship to management to a <u>committee of the Board</u>.</p>	<p>The Chairman is an independent and unrelated Board member who ensures that questions are asked without the presence of any member of the senior management team including its President and CEO. In-camera sessions are held absent the CFO and Corporate Secretary.</p>
<p>13. The Audit Committee should only be composed of outside directors.</p> <p>The roles and responsibilities of the Audit Committee should be specifically defined so as to provide appropriate guidance to Audit Committee members as to their duties. The Audit Committee should have</p>	<p>The Audit Committee is composed entirely of outside Directors.</p> <p>The roles and responsibilities of the Audit Committee have been specifically defined in a policy entitled Audit Committee Responsibilities. The Audit Committee reviews quarterly and annual financial statements, Management's Discussion and Analysis in the Corporation's Reports to Shareholders, all public disclosure documents as required by regulatory</p>

<p>direct communication with the internal and external auditors to discuss and review specific issues as appropriate. The Audit Committee duties should include oversight for management reporting on internal control. While it is management's responsibility to implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.</p>	<p>authorities and makes recommendations to the Board with respect to such statements and documents. The Audit Committee is in direct communication with the auditors to discuss and review specific issues as appropriate. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the auditors and Management as well as the risks inherent in the Corporation's business. The Audit Committee recommends the appointment of the Corporation's external auditors and the terms of their remuneration. The Corporation's array of internal controls is documented and reviewed with the Audit Committee.</p>
<p>14. The Board should implement a system that enables individual directors to engage outside advisors at the Corporation's expense in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the Board.</p>	<p>The Board is currently comprised of knowledgeable members who are capable of deciding when outside advisors are appropriate. With prior approval of the Board, a member or committee is able to engage outside advisors at the expense of the Corporation to deal with appropriate matters.</p>

**GENERAL**

Information contained herein is given as of November 20, 2003. The management of the Corporation knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the notice of meeting. The contents and the sending of this management information circular have been approved by the Board of Directors of the Corporation.

Toronto, Ontario  
December 12, 2003

Anne Himelfarb  
Secretary

# EXCO TECHNOLOGIES LIMITED

## SUPPLEMENTAL MAILING LIST

National Policy Statement No. C-41 allows an exemption to the Corporation from sending interim financial statements to its shareholders, under conditions as described in Sections 8 and 9 of the policy.

If you wish to be included in the Corporation's supplemental mailing list and be entitled to receive interim financial statements, we ask that you complete the following and return to:

The CIBC Mellon Trust Company  
P.O. Box 7010  
Adelaide Street Postal Station  
Toronto, Ontario  
M5C 2W9

Attention: SHAREHOLDER MAINTENANCE

I HEREBY confirm that I am a shareholder of the Corporation, and as such, request that you add my name to your supplemental mailing list.

The supplementary list will be updated each year, and therefore, a Return Letter will be required annually in order to receive interim financial statements.

PLEASE PRINT YOUR NAME AND ADDRESS

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(Mr.) (Mrs.) (Ms.) (Miss) (First Name) (Last Name)

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(Street Address and Number)

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(City) (Province) (Postal Code)

I certify that I am a beneficial shareholder.

Signature: \_\_\_\_\_

MEETING DATE: January 28, 2004



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## EXCO TECHNOLOGIES LIMITED

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual meeting of the shareholders of EXCO TECHNOLOGIES LIMITED (the "Corporation") will be held at the Arcadian Court, 401 Bay Street, 8<sup>th</sup> Floor, Toronto, Ontario on Wednesday, the 28th day of January, 2004 at the hour of 4:30 o'clock in the afternoon, Toronto time, for the following purposes:

1. to receive the Annual Report and the Financial Statements of the Corporation for the year ended September 30, 2003, together with the report of the Auditors thereon;
2. to elect directors for the ensuing year;
3. to appoint Auditors for the ensuing year and to authorize the directors to fix the said Auditors' remuneration; and
4. to transact such other business as may properly come before the meeting or any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this Notice.

DATED at Toronto this 12th day of December, 2003.

By Order of the Board

Anne Himelfarb  
Secretary

**Proxies to be used at the meeting must be deposited with the Corporation or its transfer agent and registrar, The CIBC Mellon Trust Company, Proxy Department, 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9, prior to the commencement of the meeting. Shareholders who are unable to be present at the meeting are requested to date, sign and return the accompanying form of proxy and mail the same to The CIBC Mellon Trust Company in the envelope provided for that purpose.**

# EXCO TECHNOLOGIES LIMITED

## PROXY

### 2003 ANNUAL MEETING OF SHAREHOLDERS

January 28, 2004 at 4:30 p.m.

Arcadian Court

401 Bay Street, 8<sup>th</sup> Floor, Toronto, Ontario

The undersigned shareholder of Exco Technologies Limited (the "Corporation") hereby appoints Helmut Hofmann, or failing him, Brian A. Robbins, both being directors of the Corporation, or instead of either of the foregoing \_\_\_\_\_, as nominee of the undersigned, to attend, to vote and act for the undersigned at the annual meeting of shareholders called for the 28th of January, 2004 and at all adjournments thereof, upon the following matters;

- (1) VOTE { } WITHHOLD VOTE { } or, if no specification is made, vote in the election of directors;
- (2) VOTE { } WITHHOLD VOTE { } or, if no specification is made, vote in the appointment of auditors and in authorizing the directors to fix their remuneration;
- (3) Such other business as may properly come before the meeting.

Name of Shareholder \_\_\_\_\_ Date \_\_\_\_\_

If the proxy is not dated, it is deemed to bear the

Signature \_\_\_\_\_ date on which it was mailed by the Corporation.

#### Notes:

- (a) A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in this proxy. Such right may be exercised by inserting in the space provided the name of the other person the shareholder wishes to appoint.
- (b) To be valid, the attached proxy must be signed, dated and deposited with The CIBC Mellon Trust Company not later than the close of business (Toronto time) on January 27, 2004.
- (c) Individuals and partnerships - sign exactly as shares are registered.
- (d) Corporations - insert name of corporation, signature of officer, indicate office held and affix corporate seal.
- (e) Executors, Trustees or Other Representatives - if shares are registered in the name of the executor, administrator or trustee, please sign exactly as registered. If shares are registered in the name of the deceased or other shareholder, the shareholder's name must be printed in the space provided, the proxy must be signed by the legal representative with his name printed below his signature and evidence of authority to sign on behalf of the shareholder must be attached to this proxy.
- (f) If a share is held by two or more persons, any one of them present or represented by proxy at a meeting of shareholders may, in the absence of the other(s), vote in respect thereof, but if more than one of them are present or represented by proxy they shall vote together in respect of the share so held.
- (g) Reference is made to the accompanying Management Information Circular for further information regarding completion and use of the attached proxy and other information pertaining to the same meeting.

This proxy is solicited  
on behalf of management.

EXCO TECHNOLOGIES LIMITED { }

FORM OF PROXY

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