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Company Announcements Office Australian Securities Exchange 20 Bridge Street SYDNEY NSW 2000

Via ASX Online

RE: POTENTIAL SALE OF 29% INTEREST IN DAIRI PROJECT

Herald Resources Limited ("Company" or "Herald") wishes to advise that it has commenced seeking expressions of interest for the potential sale by Herald or a subsidiary of Herald of up to a 29% interest in the Dairi zinc/lead project in the Dairi Regency in North Sumatra, Indonesia. The Company is seeking project funding and the entering into of an offtake agreement in exchange for the sale, although the Company is prepared to consider alternative structures for the sale.

The Company will notify the market upon the successful outcome of the abovementioned bidding process.

KEN FARRELL Chairman