



21 Close Way, Kalgoorlie WA 6430
PO Box 1280, Kalgoorlie WA 6430
Phone 618 9091 9253
Facsimile 618 9091 9256
Email m.longworth@heronresources.com.au
Website <http://www.heronresources.com.au>

HERON RESOURCES LIMITED

Media Release

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Successful Sale of Unlisted Avoca Resources Options

Heron Resources Limited (**ASX: HRR**) is pleased to announce that it has increased its cash reserves by an additional \$712,000 following the sale of six million unlisted Options in Avoca Resources Limited (**ASX: AVO**). These funds will be applied to further drilling and metallurgical studies for Heron's Kalgoorlie Nickel Project ("KNP").

Exploration Director Mathew Longworth said Heron continues to realise value for its shareholders while progressing the development of the KNP.

"This transaction reflects our ongoing strategy of divesting or joint venturing non core assets on favourable terms," said Mr Longworth.

Heron acquired the Options as part of spinning off its gold assets to Avoca in February 2002. The 21 million vendor shares acquired in the sale transaction were previously distributed to then Heron shareholders as a 1 for 5 in specie distribution.

"The Avoca in specie distribution has been an outstanding success for Heron shareholders, being a process which has created significant value through the high quality of Avoca's projects, management and strategies," he said.

The sale of the Options and recent resignation from Avoca of joint director, Ian Buchhorn, concludes a corporate strategy which has delivered real benefits to both Heron and Avoca.

The Options were sold to institutional investors. The transaction was coordinated by Heron's corporate adviser, Argonaut Capital Limited.

Yours faithfully

N Mathew Longworth

For more information, please contact:

N. Mathew Longworth
Heron Resources Limited
(08) 9091 9253
0418 935636

Paul Downie
Porter Novelli
(08) 9386 1233
0414 947 129