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09 February 2000

Dear Shareholder,

TAKEOVER ANNOUNCEMENT

The Independent Directors of Heron Resources NL ("Heron") advise Shareholders that its Strategic Alliance partner, Centaur Mining & Exploration Limited ("CTR"), through its wholly-owned subsidiary Centaur Nickel Investments Pty Ltd ("CN"), has on Tuesday 08 February 2000 made an unconditional on-market Takeover Announcement (Part C Statement) of 30 cents cash for each Heron Share ("Offer"). Centaur is required to mail the Part C Statement to all Heron Shareholders. The "Independent Directors" being those not related to Centaur are R M Evans, I J Buchhorn and R G Colville.

The Independent Directors advise Heron Shareholders to await the formal response to the Takeover Announcement before acting. This response will be made in the form of a Part D Statement to be issued by Heron and will include a recommendation to Shareholders as to whether or not to accept the Offer. The Independent Directors will obtain advice from an independent expert as to the value of your Company.

The Offer will remain open (unless extended) until close of trading on 23 March 2000 and cannot be withdrawn except under exceptional circumstances.

**WARNING : 1. IF YOU ACCEPT THE OFFER AND CENTAUR SUBSEQUENTLY INCREASES ITS OFFER, YOU WILL NOT BE ELIGIBLE TO RECEIVE THE HIGHER PRICE.
2. THIS IS ALSO TRUE IF ANOTHER PARTY MAKES A HIGHER OFFER FOR HERON.**

The Independent Directors have formed a Takeover Response Committee ("TRC") to assist them in responding effectively to the Offer. The TRC includes:

- Corporate Adviser Carmichael First Capital Pty Limited.
- Independent Expert PricewaterhouseCoopers.
- Legal Adviser Craig Readhead & Co.

Heron Shareholders should be aware that:

- The value of Centaur's Offer is below the 31 cents closing price of Heron Shares on ASX on Monday 07 February 2000, which was the day before the Centaur announcement.
- The closing price of 36 cents as at Wednesday 09 February 2000 is overbid Centaur's Offer.
- Under the Strategic Alliance agreement of 19 August 1999, Centaur agreed to acquire its initial Shareholding in Heron at a deemed issue price of 30 cents a Share. Since then Heron has more than doubled its Inferred Mineral Resource, using a 0.5% Ni cut-off, from 174.0 million tonnes (June 1999 Quarterly Report) to 392.6 million tonnes (December 1999 Quarterly Report), during a period when the nickel price increased by 40% from US\$2.96 per pound to US\$4.15.
- In addition to nickel laterite resources, Heron has extensive gold joint ventures, iron ore, oil shale and other strategic mineral assets within its Eastern Goldfields tenement holding, the value of which needs to be fully assessed.
- Centaur is not offering Heron Shareholders any premium for control of Heron.

Your Independent Directors advise Shareholders in response to the takeover offer:

TAKE NO ACTION UNTIL HERON PROVIDES ITS PART D STATEMENT IN TWO WEEKS TIME.

Yours sincerely

I J Buchhorn
Managing Director

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