

Herencia Resources plc
(“Herencia” or the “Company”)

Inferred Mineral Resource Announced for Paguanta Project
70% earn-in milestone achieved

Highlights:

- **Inferred Resource of 2.51Mt at 4.1% Zinc, 1.3% Lead and 77g/t Silver (@ 2% Zinc cut-off)**
- **+US\$2m expended on the Project – satisfies milestone for 70% earn-in**
- **Open Pit project development potential to be investigated by Herencia**

Paguanta Project

The Paguanta Project, located on the northern end of the Chilean Porphyry Copper Belt, is approximately 150km east of the port of Iquique and 20 km south of a national highway.

The first ever drilling at Paguanta was undertaken in late 2006 with an eleven hole diamond drill program for 1,174 metres. Eight out of ten holes drilled intersected mineralisation with four holes returning higher grade zinc, silver and lead assays. Highest individual grades of 15.75% Zn, 447ppm Ag and 5.58% lead were achieved (1m samples).

A 5,889m reverse circulation (“RC”) drill program was then successfully completed in late August 2007 with 40 out of the 50 holes intersecting mineralisation, confirming the high grade zinc, silver and lead assay results achieved in the earlier diamond drill program.

Mineral Resource

The results from both the diamond and RC drill programs together with the geological mapping and interpretation, were then modelled by Resource Evaluations Pty Ltd (“ResEval”), an experienced Perth-based geological consultancy group. The Paguanta deposit was estimated by ResEval in a standard Surpac block model using an Inverse Distance Squared (ID²) interpolation.

Detailed resource modelling comprised of:

- Definition and modelling of envelopes representing mineralised boundaries;
- Statistical and Geostatistical analysis of data
- Compilation of a block model representing the mineralised envelopes;
- Resource estimation and confidence categorisation.

The Inferred Mineral Resource estimate for Paguanta is summarised in the table below:

Table 1 – Inferred Mineral Resource Estimate:

Zn % Cut Off	Total				Contained Metal		
	Tonnes Mt	Zn %	Pb %	Ag g/t	Zn Metal Tonnes	Pb Metal Tonnes	Ag Moz
2	2.51	4.1	1.3	77	103,100	32,100	6.18
2.5	1.96	4.6	1.5	86	90,700	28,400	5.44
3	1.45	5.3	1.7	102	76,600	24,400	4.72
4	0.74	7.1	2.4	146	52,600	18,100	3.48

Notes:

- Figures used are rounded to 1 decimal place for Zn% and Pb% and to the nearest gram for Ag g/t
- Bulk Density of 3.1t/m³ for 'vein' ore, 4.08t/m³ for +10% Zn ore grades and 2.67t/m³ for the oxide.
- Block cell size 5m (N-S), 25m (E-W), 5m (vertical), sub celled to 1.25m, 6.25m and 1.25m respectively .
- The mineral resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC) of the AusIMM.
- The mineral resource estimate incorporates all drilling carried out to date (1,174m of diamond and 5,889m of RC)
- Assays composited to 1m interval

Project Earn-in

Under the terms of the Agreement in relation to the Paguanta Project, US\$2 million of eligible expenditure was required to be spent before mid-2008 to earn a 70% stake in a joint venture company which will hold the Paguanta project licence. Herencia has formally advised its joint venture partners of this expenditure milestone being achieved and work on incorporating the joint venture company has commenced.

12 Month Development Program

Herencia's management team are now evaluating the resource report in detail and preparing a work program for the next 12 month period. The plans and targets for the next 12 months include both in-fill and step-out drilling, further geophysical work, upgrading the resource estimate, potentially increasing resource tonnages, a Scoping Study (to include mining and processing/metallurgical components), and the commencement of baseline environmental work on site.

Commenting on the results, Executive Director Michael Bohm stated "In a 10 month period, Herencia has gone from collaring our first drill hole, to announcing a two and a half million tonne Inferred Mineral Resource at the Paguanta Project. This is a significant milestone, one that provides a solid base to build on, aimed at a potential open pit mining operation at Paguanta. The management team are now focussed on the work required to realise that potential. I thank our personnel and shareholders for their efforts and support and look forward to a successful period ahead."

Mr J Sinclair (MAusIMM) Exploration Manager (Chile) for Herencia and Mr J Clark (Consulting Geologist for ResEval) and Mr P Payne (Principal Geologist for ResEval) contracted by Herencia, compiled the technical aspects of this report relating to the Paguanta Project. Mr Sinclair and Mr Payne have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Sinclair, Mr Clark and Mr Payne consent to the inclusion in the report of the matters in the form and context in which it appears.

Mr J Sinclair, Exploration Manager (Chile) for Herencia, has reviewed the information contained in this announcement. Mr. Sinclair has 13 years experience in the resources sector and is a qualified person within the definition of the AIM guidelines.

Further background details on the Company and the Paguanta Project can be found at:

www.herenciaresources.com

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