

23 December 2010

Herencia Resources plc

(**"Herencia" or the "Company"**)

Paguanta Project Update

Herencia is pleased to announce that the Company's 70% owned Joint Venture Company ("Compania Minera Paguanta" or "CMP") has accepted a proposal from Major Drilling to undertake a diamond drilling program of up to 15,000m at CMP's flagship Paguanta Project (the "Project") located in northern Chile.

The planned program will involve drilling of the 'Doris' prospect (targeting the high copper and silver grades seen on surface), the 'La Rosa' prospect (where the porphyry-copper potential will be the target) and 'in-fill' drilling of the 'Patricia' Mineral Resource with the aim of upgrading the Inferred Mineral Resource Estimate and collecting metallurgical and geotechnical core samples.

A diamond drilling rig is currently scheduled to mobilise to site during the 4th week of February 2011 with drilling work set to commence at Doris by the end that month. Once operation of the first rig has been established, it is planned to mobilise a second drill rig to site, possibly in April 2011.

Major Drilling are very familiar with the Paguanta Project having previously carried out the majority of drilling activity for the project.

In relation to the Feasibility Study, the Company is pleased to advise that Golder Associates ("Golder") will commence their Study work during 1Q2011, with selected study components kicking off in the new year.

Managing Director Michael Bohm stated "as seen in early 2010, our goal is to again hit the ground running at Paguanta. The Feasibility Study at Patricia and the Drilling Program, initially commencing at Doris, will mark a new chapter for the Project. Subject to meeting our planned mobilisation timetable we would anticipate first drill assay results from Doris sometime in April 2011.

I take this opportunity to wish all our staff, consultants, advisors, supporters and shareholders a safe and Merry Christmas."

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Further background details on the Company can be found at www.herenciaresources.com

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