



JOINT NEWS RELEASE

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TANGO ANNOUNCES A REVISED TWO-TIER \$2.60 - \$2.65 RECOMMENDED CASH OFFER FOR HERALD RESOURCES

Herald Directors to accept immediately for their own holdings

Tango Mining Pte Ltd ("**Tango**"), the special purpose vehicle owned by PT Antam Tbk ("**Antam**") and Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd ("**Zhongjin**"), formed to make the takeover offer for Herald Resources Limited ("**Herald**"), announces a revised and recommended \$2.60-\$2.65 cash offer for Herald ("**Tango Offer**").

Herald Directors unanimously recommend that Herald shareholders ACCEPT the revised Tango Offer.

In light of this superior proposal from Tango, the Herald Directors REJECT the alternative \$2.55 cash offer by Calipso Investment Pte Ltd ("**Calipso**") and advise shareholders NOT to accept the offer by Calipso ("**Calipso Offer**").

The Herald Directors have agreed to sell all their own Herald shares (representing 8.27% of Herald shares) into the Tango Offer with immediate effect. The Herald Directors have also agreed not to withdraw their acceptances of the Tango Offer, except if that offer lapses in the circumstances outlined below.

The terms of the revised Tango Offer are as follows:

- The Tango Offer price is **\$2.60 cash per share**. If Tango secures a relevant interest in 90% of Herald shares during the offer period, the Tango Offer price increases to **\$2.65 cash per share**.
- Tango has declared the Tango Offer unconditional, except for the 50.1% minimum acceptance condition. Tango reserves the right to waive the minimum acceptance condition at any time in accordance with the Corporations Act.
- If a superior offer is made for Herald shares (including an increase in the \$2.55 cash per share under the Calipso Offer), Tango reserves the right to match or exceed the superior offer.
- If the Tango Offer remains conditional, and Tango does not match or exceed any superior offer within seven calendar days of that superior offer

being made, then it will let the Tango Offer lapse, with the effect that shareholders who have previously accepted the Tango Offer will become free to accept into the superior offer.

- Tango has declared that the increased price under the Tango Offer is final in the absence of a superior competing proposal (in this context superior competing proposal means any proposal in relation to Herald by way of takeover bid, scheme of arrangement or other transaction having similar effect).
- Tango has also agreed to provide accelerated payment to Herald shareholders who accept the Tango Offer, with payment to be made within 12 calendar days of the Tango Offer becoming unconditional (for those Herald shareholders who have already accepted the Tango Offer at that time), or within 12 calendar days of acceptance of the Tango Offer, once the Tango Offer has become unconditional.

Herald Directors believe that acceptance of the revised Tango Offer is in the best interests of all shareholders.

“Acceptance of the Tango Offer by sufficient Herald shareholders to enable satisfaction of the 50.1% minimum acceptance condition will deliver cash certainty of \$2.60 a share and, potentially, \$2.65 a share if Tango moves to 90% or above,” said Herald Chairman Terry Allen.

“Herald shareholders who wish to realise all or part of their investment in Herald in the short term may also consider selling some or all of their shares on market.”

Tango adviser Martin Alciaturi of Macquarie Capital Advisers said: “Tango’s revised offer gives the vast majority of Herald shareholders, including Calipso, the opportunity to realise a significant return on their investment. We’re pleased the Herald Directors have recognised the superior nature of Tango’s offer in agreeing to accept immediately for their own holdings”.

Shareholder Information

The Tango Offer will be extended to close at 5pm Perth time on Thursday 19 June 2008. It was previously scheduled to close on Thursday 12 June 2008.

The Calipso Offer is scheduled to close at 5pm Perth time on Wednesday 4 June 2008.

Tango and its associates (including Antam and Zhongjin) currently hold a relevant interest in 22,100,170 Herald shares, comprising voting power of 11.18%, which will increase to 19.45% with the acceptance of the Herald Directors’ shareholdings.

Tango will shortly issue a Supplementary Bidder’s Statement setting out details of the revised Tango Offer.

Herald shareholders can accept the Tango Offer by completing the Tango Acceptance Form contained in the original Tango Bidder’s Statement or by contacting their stockbroker.

A new Acceptance Form will be included in Tango's Supplementary Bidder's Statement to be despatched to Herald shareholder shortly.

Herald will issue a Supplementary Target's Statement setting out its formal response to the revised Tango Offer.

Herald is being advised by Euroz Securities Limited and Blakiston & Crabb. Tango is being advised by Macquarie Capital Advisers and Blake Dawson.

For Further Information

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