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Limited Company Relations
New Zealand Stock Exchange
Level 2, NZX Centre
11 Cable Street
Wellington

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Preliminary Announcement

Reporting period 6 months to 30 September 2008

Previous reporting period 6 months to 30 September 2007

Amount (\$); percentage change

Revenue from ordinary activities 256,985; 45,908; + 460%

Loss from ordinary activities after tax attributable to members
of the listed issuer 441,647; 405,773; + 9%

No dividend attributed to this period

EXPLORATION ACTIVITY

During the six months to 30 September 2008 Heritage Gold ('the Company') carried out the following planned work programmes.

Gold Tenements (Waihi, New Zealand)

A CSAMT survey of the area adjacent to the Martha open pit, designated as 'Martha North' was completed in April.

Results of the high-resolution aeromagnetic survey carried out in February were correlated with the ground-based geophysical and geochemical surveys over the Martha North area to identify and rank drill targets.

Diamond drilling programmes were undertaken at exploration permits EP 40117 'Rahu' and EP 40346 'Waihi North'.

Open-hole drilling was trialled at EP 40644 'Waitete' and EP 40081 'Talisman'.

Base Metal and Gold Tenements (Northland, New Zealand)

Reconnaissance geological sampling and mapping of the most prospective areas in each of the Northland tenements was undertaken along with extensive literature research on each permit.

Thackaringa Cobalt Project (New South Wales, Australia)

Heritage Gold has a 33% interest in the project with its equity in Broken Hill Cobalt Limited, owner of the project. A technical team visited Thackaringa in September to assess an open-hole drilling programme that is planned for early 2009.

Dunmarra Basin Uranium Drilling (Northern Territory, Australia)

Reconnaissance, open-hole drilling was undertaken during July on the Beetaloo pastoral lease (EL 25872). As a result of the drilling, Heritage intends to relinquish its three licences in the Dunmarra Basin.

FINANCIAL RESULTS

Capitalised exploration expenditure increased significantly following the increased level of

exploration activity in the Coromandel tenements. \$1,471,485 was spent on developing tenements over the reporting period compared with \$698,743 in the previous year.

\$368,337 capitalised expenditure was written off in the current period (none in the previous reporting period). Expenditure written off was for the joint venture with RM & Co Nominees Pty Ltd. Drilling at the Dunmarra Basin in Queensland proved unsuccessful in uncovering significant uranium anomalies. The Company will not continue with further exploration in the Dunmarra Basin and intends to relinquish its three exploration licences.

The past solid year of exploration activity increased the value of the Company's land holdings from approximately \$8.1 million to approximately \$9.2 million.

The Company derived a significant foreign exchange gain from funds held in Australian currency.

At the end of the balance period the Company had a cash balance of \$1,627,002.

LOOKING AHEAD

The company is currently implementing changes to the Scoping Study on the Talisman gold project (at Karangahake, Waihi) that were recommended under the critical appraisal. The Scoping Study will form the basis for moving the project through to prefeasibility and bankable feasibility studies.

Heritage Gold has uncovered significant magnetic anomalies (zones of demagnetization that represent areas of hydrothermal alteration which have the potential to host gold mineralization) in its tenements at Waihi North and Golden Valley.

A number of groups have expressed an interest in these high quality exploration tenements and the company is currently in discussion with some of these with respect to the geological potential and technical merits of each.

Heritage Gold is proposing to undertake a programme of shallow, open-hole drilling (RAB) of surface mineralization ('gossans') at Thackaringa early next year.

Trent Lash

Chief Executive Officer

Interim results are outlined below:

Consolidated Income Statement

Reporting period 6 months to 30 September 2008

Previous reporting period 6 months to 30 September 2007

Reporting period; previous reporting period

(\$)

Revenue 99,876; 45,908

Foreign exchange gain 157,109; Nil

Total revenue 256,985; 45,908

Audit fees 5,156; 5,174

Depreciation 1,780; 1,560

Director fees 24,000; Nil

Director remuneration 6,688; 61,667

Foreign exchange loss Nil; 345

Loss on share revaluation 599; Nil

Rent and leasing 14,825; 12,454

Operating expenses 251,225; 341,441

Write off exploration expenses 368,337; Nil

Total operating expenses 672,610; 422,641

Loss from operations 415,625; 376,733

Share of associate retained deficit after tax 26,022; 29,040

Net deficit attributable to members 441,647; 405,773

Earnings per share:

Basic earnings/(loss) per share (0.15) cents; (0.19) cents

Diluted earnings/(loss) per share (0.13) cents; (0.16) cents

Consolidated Balance Sheet

Reporting period 30 September 2008

Previous reporting periods 31 March 2008, 30 September 2007

Reporting period; previous reporting period

(\$)

Current assets 1,810,928; 3,552,576; 946,997

Cash 1,627,002; 3,240,884; 801,158

Receivables and prepayments 183,926; 311,692; 145,839

Non-current assets 10,380,614; 9,115,372; 8,408,041

Property, plant & equipment 36,381; 33,211; 9,895

Intangible assets (prospecting expenditure) 9,235,965; 8,132,817; 7,284,290

Investments 33,410; 34,009; 127,364

Investment in associate 1,074,858; 915,335; 986,492

Total assets 12,191,542; 12,667,948; 9,355,038

Current liabilities 386,286; 421,045; 142,244

Payables 344,304; 384,458; 130,075

Employee entitlements 41,982; 35,587; 12,169

Total liabilities 386,286; 421,045; 142,244

Capital 22,339,695; 22,339,695; 18,734,002

Reserves 335,341; 335,341; 335,341

Retained profit/(loss) (10,869,780); (10,428,133); (9,856,549)

Total equity 11,805,256; 12,246,903; 9,212,794

Total Equity and Liabilities 12,191,542; 12,667,948; 9,355,038

Consolidated Statement of Cash Flows

Reporting period six months to 30 September 2008

Previous reporting period six months to 30 September 2007

Reporting period; previous reporting period

(\$)

Cash flows relating to operating activities

Interest received 74,325; 42,576

Payments to supplies and employees 448,798; 436,881

Net operating cash flows (374,473); (394,305)

Cash flows relating to investing activities

Purchases of property, plant & equipment 10,677; 283

Prospecting expenditure 1,371,592; 659,539

Net investing cash flows (1,382,269); (659,822)

Cash flows relating to financial activities

Issue of shares Nil; 1,067,626

Net financing cash flows Nil; 1,067,626

Net increase/(decrease) in cash held (1,756,742); 13,499

Cash at beginning of period 3,240,884; 787,314

Exchange rate gain/(loss) 142,860; 345

Cash at end of period 1,627,002; 801,158

No dividends or distributions were paid or are planned.

Consolidated Statement of Changes in Equity

Reporting period six months to 30 September 2008

Previous reporting period six months to 30 September 2007

Reporting period; previous reporting period

(\$)

Equity at start of period 12,246,903; 8,738,489

Net loss 441,647; 405,773
Shares issued Nil; 880,078
Equity at end of period 11,805,256; 9,212,794

Net tangible assets per security
Reporting period; previous reporting period
Net tangible assets 2,569,291; 1,928,504
Net tangible assets per security 0.9 cents; 0.9 cents

Heritage ownership in Broken Hill Cobalt Ltd
Reporting period; previous reporting period
Percentage held 33%; 33%
Contribution to net loss (26,022); (29,040)

These interim financial statements have been prepared in accordance with IAS-34, Interim Financial Reporting and should be read in conjunction with the accounting policies set out in the annual financial statements for the year ended 31 March 2008.

There have been no changes in accounting policies during the period. The accounting policies and method of computation applied during the previous year were applied on a consistent basis during the current period.

The full year financial statements are subject to completion of the audit.

About Heritage Gold

Heritage Gold (NZ) Limited is a leading New Zealand, dual listed (NZSX: HGD, ASX: HTM) minerals exploration company that has a portfolio of high quality gold, base metal and uranium tenements in Australia and New Zealand.

Heritage gold tenements in the southern Coromandel region of New Zealand include the historic Talisman Mine which has produced over 1 million oz of gold and 3 million oz of silver during its peak mining period.

Heritage owns 33 percent of Broken Hill Cobalt Ltd, a company that is looking to develop a cobalt project at Thackaringa, New South Wales.

To learn more about our company please explore our website at www.heritagegold.co.nz

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