

THE TAKEOVER PANEL

CREST NICHOLSON PLC

(“CREST”)

HERON CORPORATION

(“HERON”)

Following recent representations made by the advisers to Crest, the Panel Executive has been considering the application of Rule 2.4(b) of the Code to the approach by Heron to Crest. Following discussions with both parties' advisers, the Panel Executive has ruled that Heron must, by 12.00 noon on Wednesday, 4 May, either announce a firm intention to make an offer for Crest under Rule 2.5 of the Code or announce that it does not intend to make an offer for Crest. No extension to this deadline will be granted, except with the consent of the Panel Executive. In the event that Heron announces that it does not intend to make an offer for Crest, Heron and any person acting in concert with it will, except with the consent of the Panel Executive, be bound by the restrictions contained in Rule 2.8 of the Code for six months from the date of such announcement.

Each of the parties has accepted this ruling.

29 March 2005