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**Heritage Oil Corporation (“Heritage” or the “Company”)**

**HERITAGE OIL ANNOUNCES INTENTION TO LIST  
ON THE LONDON STOCK EXCHANGE**

Calgary, Alberta, March 28, 2008: - Heritage Oil Corporation (together with its subsidiaries, the “Group”) (TSX: HOC) today announces the intention of Heritage Oil Limited (“Heritage Jersey”), the Jersey-incorporated proposed parent company of Heritage following completion of a court-approved plan of arrangement (the “Arrangement”) under the Business Corporations Act (Alberta), and of Heritage concurrently to apply for the admission to listing of the ordinary shares of Heritage Jersey (the “Heritage Jersey Shares”) and a new class of exchangeable shares of Heritage (the “Exchangeable Shares”) on the Official List (the “Official List”) of the United Kingdom Listing Authority (the “UKLA”) and to trading on the Main Market of the London Stock Exchange plc (the “LSE”) (collectively, “Admission”). Following completion of the Arrangement, Heritage Jersey will be the parent company of Heritage. Approval for the Arrangement was obtained from Heritage securityholders at the special meeting which took place on 20 March 2008. In addition, the court of Queen’s Bench of Alberta has granted a final order to approve the Arrangement and the proposed Admission. Admission is expected to occur on 31 March 2008. The trading symbol for the Heritage Jersey Shares will be HOIL.

Heritage intends to delist its existing common shares (“Heritage Shares”) from the Toronto Stock Exchange (the “TSX”) and at the same time, obtain a listing for the Exchangeable Shares on the TSX (TSX: HOC) and the Official List (LSE: HOX). Heritage is also proposing to conduct a split of its shares by a factor of ten, with the result that each existing Heritage share will be exchanged for either ten Heritage Jersey Shares or ten Exchangeable Shares in accordance with the terms of the Arrangement.

Heritage is an independent upstream exploration and production company engaged in the exploration for, and the development, production and acquisition of, oil and gas in its core areas of Africa, the Middle East and Russia.

JPMorgan Cazenove Limited (“JPMorgan Cazenove”) has been appointed to advise Heritage and Heritage Jersey and will act as sponsor in connection with Admission.

## Key Highlights

- The Group has producing properties in Oman and Russia and exploration projects in Uganda, the Kurdistan Region of Iraq (the “KRI”), the Democratic Republic of Congo (the “DRC”), Malta, Pakistan and Mali;
- In Uganda, the high-impact Kingfisher-2 appraisal/exploration well is expected to spud in the second quarter of 2008. The Kingfisher-2 well will appraise the reservoir zones discovered by the Kingfisher-1 well, which was completed in 2007 and cumulatively tested approximately 13,900 barrels of oil per day (“bbl/d”) from four separate intervals. These productive zones were secondary objectives, since the primary, deeper target was not reached for reasons related to rig performance. The Kingfisher-2 well will be drilled using the more capable Nabors 221 rig, and in addition to appraising the previous discoveries, will explore the original, deeper primary objective;
- As at 30 September 2007, the Group had proved plus probable net entitlement reserves of 62.1 million barrels of oil equivalent (“MMboe”), valued at US\$260 million at a discount rate of 10%, as certified by RPS Energy;
- As at 30 September 2007, the Group had proved plus probable plus possible net entitlement reserves of 163.9 MMboe, valued at US\$824 million at a discount rate of 10%, as certified by RPS Energy;
- As at 30 September 2007, the Group had a 50% working interest share of the mean risked working interest prospective resources from Blocks 3A and 1 in Uganda of 462 MMboe (923 MMboe gross), as certified by RPS Energy. The Government of Uganda has a back-in right which could, if exercised, reduce Heritage’s working interest to 42.5%. In the event that these resources were to mature into reserves these barrels would be subject to the PSC arrangements in Blocks 3A and 1 and result in net entitlement reserves that reflect those arrangements;
- The Group has a strong financial position following receipt of gross proceeds from a private placement of US\$165 million of 8% convertible bonds in February 2007 and a primary common share fundraising of Cdn\$181.5 million completed in November 2007;
- The Group’s net condensate and Liquid Petroleum Gas (“LPG”) production from the Bukha field in Oman in January 2008 averaged 109 bbl/d with net production for the nine months ended 30 September 2007, averaging 147 bbl/d. Following commencement of production on 17 May 2007, crude oil production in Russia averaged 362 bbl/d in the third quarter of 2007 and averaged 342 bbl/d in February 2008;
- Management has a proven track record of finding new substantial discoveries, particularly in Africa, including the hydrocarbon system in the Albert Basin in Uganda and the M’Boundi oilfield in the Republic of Congo (the “Congo”);
- Heritage Jersey has appointed General Sir Michael Wilkes KCB, CBE as a Non-Executive Director; and
- At a special meeting of Heritage Oil Corporation held on 20 March 2008, over 99.9% of all Heritage shareholders voting at the meeting voted to approve the Plan of Arrangement and London listing. In addition, the Court of Queen’s Bench of Alberta has granted a final order to approve the Arrangement and the proposed Admission. Approximately 98% of the existing common shares of Heritage Oil Corporation will be exchanged for

Heritage Jersey Shares with the balance of the existing common shares of Heritage Oil Corporation to be exchanged for Exchangeable Shares.

The above reserves are based on a barrel of oil equivalent (“boe”) of natural gas and crude oil on the basis of 1 boe for 6 Mcf (thousand cubic feet) of natural gas (this conversion factor is an industry accepted norm). The valuations are based on forecast prices and costs.

Commenting on the proposed Admission, Tony Buckingham, CEO of Heritage stated:

“We consider Heritage’s proposed listing on the London Stock Exchange to be a significant milestone for the Group. It will result in increased liquidity as well as value creation opportunities for all shareholders. The timing is opportune given the high-impact drilling campaigns we will undertake in Uganda and Kurdistan this year. I am delighted to welcome General Sir Michael Wilkes to the Heritage Group. He is an outstanding addition to the Board as he brings considerable corporate experience, an extensive network of contacts and strong corporate governance experience.”

Michael Hibberd, Chairman of Heritage, added:

“We believe that the reorganisation and a London listing are in the best interests of Heritage and our investors. We fully expect the initiatives we have undertaken will enhance our profile and status amongst European investors and within the oil and gas sector generally. We also expect increased trading liquidity and access to an international market with a broad, relevant peer group and considerable research expertise. Given the geographic spread of Heritage’s production, development and exploration licences, we believe it is more appropriate for the Company to be based in Europe, where a substantial number of investors and many of the Company’s management reside. The overwhelming support for the transaction at the recent special meeting demonstrates shareholders support our strategy.”

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## **Information on Heritage**

### Rationale for Plan of Arrangement and London listing

- the Directors of Heritage (the “Directors”) believe that given the geographic spread of the Group’s production, development and exploration licences with a core focus on Africa, the Middle East and Russia, it would be more appropriate for the Group to be based in Europe, where a substantial number of investors in Heritage and most of the management of the Group reside; and
- the Directors also believe Admission will raise the Group’s profile and status amongst European investors and within the oil and gas sector generally, and will give the Group access to an international market with a broad, relevant peer group and considerable research expertise. The Directors expect that Admission will assist in increasing the trading and liquidity of Heritage Jersey Shares.

## **Competitive Strengths and Competitive Advantages**

### Ability to secure a portfolio of high impact international plays

Heritage has a proven track record of delivering growth in shareholder value through its strategy of focussing on high-impact international plays containing multiple targets with the potential to discover large reserves of oil.

The Group’s current focus areas are the Albert Basin in Uganda and the Lake Albert region in the DRC, the KRI and West Siberia, where it has been able to source and secure properties as a result of a number of factors, including those below, which the Directors believe represent Heritage’s principal competitive advantages:

- the Group adopts a methodology for appraising potential opportunities centred around the appreciation and management of technical and political risk. This approach, together with the experience of Heritage’s management and technical teams, has enabled Heritage to identify and be amongst the first international oil companies to hold interests in, territories such as Uganda, the eastern DRC and more recently, the KRI; and
- the Group has a proven track record in sourcing deals, and has demonstrated its first-mover advantage in acquiring many of its assets using a hands-on approach, combined with the flexibility and speed of the management team. The Group has a flat, lean management structure, which enables quick and effective decision making.

### Strong management and technical teams

The Group’s management and technical team has a track record of finding attractive oil discoveries including the hydrocarbon system in the Albert Basin in Uganda and the M’Boundi field in the Congo. The Group leverages off a highly effective network of influential industrial, political and institutional relationships. These relationships enable the Group to form strategic alliances reducing both resource commitments and exploration and development risk, as well as giving the Group access to properties.

### Diversified portfolio of assets

The Group has built a diversified portfolio of assets by geography, product and development stage. Geographically, the Group’s portfolio is spread between the core areas of focus of

Africa, the Middle East and Russia. In addition, Heritage may from time to time invest in opportunistic plays, outside of these core geographies, if management believe that the relevant investment will enhance shareholder value. Examples of such investments include the Group's recently acquired interests in Malta and Pakistan.

The Group's portfolio contains a spread of existing production, reserves and resources between oil, gas, condensate and LPG, with a focus on oil. Furthermore, Heritage's assets are well spread across the development cycle. The Group currently has producing assets in Oman and the Zapadno-Chumpasskoye licence in Western Siberia, a development property in Oman, together with exploration and appraisal properties in Uganda, KRI, the DRC, Malta, Mali and Pakistan.

#### Significant presence in the Albert Basin in Uganda

The Albert Basin in Uganda is considered by management to contain significant quantities of oil. Assets in the Albert Basin are controlled by Heritage and Tullow Oil plc ("Tullow"). Heritage is partnered with Tullow on Blocks 1 and 3A, with each company holding a 50% interest.

Eight successful exploration and appraisal wells have been drilled in the Albert Basin over the last two years and each well encountered oil-bearing reservoirs. Of these eight, two wells tested at over 12,000 bbl/d. First production is targeted by management to commence in the medium term with potential production estimated to be in excess of 100,000 bbl/d if an international export pipeline from Lake Albert to Mombasa on the east coast of Kenya is built.

An additional benefit of Heritage's presence in the Albert Basin is its proximity to the Group's interests in Blocks 1 and 2 on Lake Albert in the DRC. The exploration programme in the DRC will only commence following receipt of a Presidential Decree, the timing of which is yet uncertain.

#### First-mover advantage in the KRI

Heritage was one of the first companies to be awarded a Production Sharing Contract ("PSC") in the KRI. Heritage executed a PSC with the Kurdistan Regional Government (the "KRG") over the Miran Block in the KRI on 2 October 2007. The Group has been appointed operator.

Heritage has also entered into a separate strategic agreement with the KRG to establish a 50/50 joint venture company which will build, own and operate an oil refinery in the vicinity of the Miran Block. The refinery, which is expected to have a capacity of 20,000 bbl/d, is scheduled to be operational to design specification, within approximately two years of the agreement being entered into.

#### Historic track record of creating value and generating cash to finance new developments

Historically, the Group has sold certain assets, notably in the Congo, to create value for shareholders and to generate cash to finance development of other oil and gas assets in the core areas. Notable disposals include:

2002 – Disposal of the Group's 30% working interest in the Kouilou permit in the Congo to Etablissements Maurel et Prom ("Maurel et Prom") for a total consideration of US\$35 million comprising US\$30 million in cash, US\$5 million in interest bearing convertible debentures in the purchaser and the retention of a 5% gross override royalty from the M'Boundi field, effective after 67 million barrels of oil have been produced.

2004 – Disposal of the gross override royalty from the M'Boundi field in the Congo to Maurel et Prom for a consideration of approximately US\$30.4 million.

2006 – Disposal of Heritage Congo to Afren plc (“Afren”) and sale of its 25% working interests in Kouakouala for a consideration of approximately US\$27 million, plus 1,500,000 Afren warrants, with a term of five years and an exercise price of £0.60 per share.

## **Strategy**

Heritage's strategy is to generate growth in shareholder value through the development, production and acquisition of a portfolio of oil and gas interests. The Group has adopted a number of strategic guidelines in conducting its business activities including the following:

- it acquires and invests in oil and gas properties throughout the world with a particular focus on Africa, the Middle East and Russia;
- it leverages off a highly effective network of influential industrial, political and institutional relationships, giving access to a wide variety of new oil and gas business opportunities;
- it acquires smaller discoveries or discoveries with special infrastructure requirements which are frequently ignored or abandoned by major oil companies and converts them, through careful due diligence, planning and local intelligence, into economically sound and ultimately, profitable developments;
- it identifies and accesses land deals that offer potential for high quality oil and gas prospects;
- it develops and maintains a portfolio of low to medium-risk drilling opportunities;
- it operates, where possible, to control timing and expense levels on projects or maintains a close association with the operating company; and
- it pursues projects with near term 'on stream' characteristics to create cash flow.

## **Current Trading and Prospects**

The Group is well positioned to benefit from a number of exploration, appraisal and development wells to be drilled in 2008. Drilling programmes in Blocks 3A and 1 in Uganda are scheduled to commence in the second quarter of 2008. The Directors believe that the Albert Basin in Uganda represents an exciting opportunity with the potential to discover significant quantities of oil. An exploration well is also scheduled to commence drilling in the Miran licence in the KRI in the second half of 2008.

The Directors expect production from the Zapadno Chumpasskoye field in Russia to increase from an average of 342 bbl/d in February 2008 as a result of existing wells being brought on production, as well as further development drilling.

Production from Block 8 in Oman is not expected to change materially from the average net production of 109 bbl/d of LPG and condensate in January 2008 until the West Bukha field commences production, which is scheduled to occur in the summer of 2008.

## **Board of Directors on Admission**

### *Michael Hibberd, aged 52, Chairman and Non-Executive Director*

Mr. Hibberd has extensive international energy project planning and capital markets experience. He has been Chairman and President of MJH Services Inc., a private corporate finance advisory company, since 1995, prior to which he spent 12 years with ScotiaMcLeod in corporate finance and held the position of Director and Senior Vice-President, Corporate Finance. Mr. Hibberd has served and continues to serve on the boards of a number of private and public oil and gas companies, including companies listed on the TSX, Amex and TSXV. Mr. Hibberd joined the Group in March 2006.

### *Tony Buckingham, aged 56, Chief Executive Officer*

Mr. Buckingham is the founder of the Group. Mr. Buckingham commenced his involvement in the oil industry as a North Sea diver and subsequently became a concession negotiator acting for several companies including Ranger Oil Limited and Premier Oil plc. He was previously a security adviser to various governments.

### *Paul Atherton, aged 42, Chief Financial Officer*

Mr. Atherton is a chartered accountant, having qualified with Deloitte & Touche, and holds a degree in geology from Imperial College London. He has a corporate finance background with specific experience in the international mining and resource sectors. He joined the Group in 2000 and was elected to the board of HOC in 2005.

### *General Sir Michael Wilkes, aged 67, Non-Executive Director*

General Sir Michael Wilkes KCB, CBE, retired from the British Army (the "Army") in 1995 as Adjutant General and Middle East Adviser to the British Government. As Adjutant General, Sir Michael was the most senior administrative officer within the Army and a member of the Army Board. During his distinguished career, he has seen active service across the world while also commanding at every level from Platoon to Field Army including commanding 22 Special Air Service Regiment and serving as the Director of Special Forces. Sir Michael is the Non-Executive Chairman of Cyberview Technology Ltd and a Non-Executive director of the Stanley Gibbons Group, both of which are listed on AIM. In addition he holds non executive positions on a number of private companies including Britam Defence and Trico Ltd and chairs the Advisory Board of PegasusBridge Fund Management Limited, a homeland security company. He joined the Group on 18 March 2008.

### *Gregory Turnbull, aged 53, Non-Executive Director*

Mr. Turnbull is the Regional Managing Partner of the Calgary office of the law firm of McCarthy Tétrault LLP. Mr. Turnbull has extensive knowledge of corporate governance issues and has acted for many boards of directors and special committees in that regard. Mr. Turnbull started his career with the law firm of MacKimmie Matthews in 1979. From 1987 to 2001, he was a partner with Gowlings LLP (formerly Code Hunter LLP). In 2001 and 2002, he was a partner with the law firm of Donahue LLP. Mr. Turnbull has been a partner of McCarthy Tétrault LLP since July 2002. He joined the Group in 1997.

### *John McLeod, aged 61, Non-Executive Director*

Mr. McLeod is a professional engineer with over 36 years of varied resources extraction experience. He is the President of McLeod Petroleum Consulting Limited, the President, CEO and a director of California Oil and Gas Corporation and has held senior management positions and has served on various boards including at Constellation Oil & Gas Ltd., as President and CEO of Arakis Energy Company; as VP, Operations of Pengrowth Gas Company, Rally Energy Corp., CanArgo Energy Inc. and Canoro Resources. Currently, Mr. McLeod serves as a director of Paris Energy Inc., Consolidated Beacon Resources Ltd.,

Tuscany Energy Ltd., Diaz Resources Ltd. and Keeper Resources Inc. He joined the Group in 1998.

## **General**

This announcement has been prepared and issued by Heritage and is the sole responsibility of Heritage, and has been approved solely for the purposes of Section 21(2)(b) of the Financial Services and Markets Act 2000 (the “FSMA”) by JPMorgan Cazenove of 20 Moorgate, London EC2R 6DA. JPMorgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Services Authority is acting exclusively for Heritage and for no-one else in connection with Admission and will not be responsible to anyone other than Heritage for providing the protections afforded to its customers or for providing advice in relation to Admission or any arrangement referred to herein.

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The price and value of securities may go up as well as down. Persons needing advice should contact a professional adviser.

Information in this announcement or any of the documents relating to Admission cannot be relied upon as a guide to future performance.

**FORWARD-LOOKING STATEMENTS:**

Except for statements of historical fact, all statements in this announcement – including, without limitation, statements regarding production estimates and future plans and objectives of Heritage as well as statements about the proposed Arrangement, including the timing, implementation or completion of the Arrangement and Admission – are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: risks relating to estimates of reserves and recoveries; risks relating to the completion of the Arrangement on its proposed terms, in the time frame proposed or at all; production and operating cost assumptions; development risks and costs; the risk of commodity price fluctuations; political and regulatory risks; and other risks and uncertainties as disclosed under the heading "Risk Factors" in its Annual Information Form and elsewhere in Heritage documents filed from time to time with the TSX and other regulatory authorities. Further, any forward-looking statement is made only as of a certain date. Subject to any obligations under the prospectus rules, listing rules and disclosure and transparency rules made by the Financial Services Authority under Part VI of FSMA, the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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