



**For Immediate Release: Friday, August 10, 2007**

**HERITAGE OIL RELEASES SECOND QUARTER 2007 RESULTS  
AND OPERATIONAL UPDATE**

Calgary, Alberta, August 10, 2007 – Heritage Oil Corporation (TSX: HOC) today announced its financial and operating results for the three and six-month periods ended June 30, 2007. Heritage's consolidated financial statements and Management's Discussion and Analysis for three and six-month periods ended June 30, 2007 have been filed and are available on SEDAR at [www.sedar.com](http://www.sedar.com) and can also be viewed on the Company's website at [www.heritageoilcorp.com](http://www.heritageoilcorp.com). All figures are in US Dollars unless otherwise noted.

**Corporate Highlights**

During the first six months of 2007, Heritage continued to make significant operational advances in all core areas. With a strong cash position of \$80.3 million at June 30, 2007, including \$20.2 million of restricted cash, which is held in escrow to finance the first three semi-annual interest payments on the 2007 bonds, Heritage is well positioned to finance remaining 2007 programs which include drilling in Western Siberia, development of the West Bukha field in Oman, seismic programs and further drilling in Uganda, commencement of exploration in the Democratic Republic of Congo (DRC) and formalising a Production Sharing Agreement (PSA) in the Kurdistan Region of Iraq.

Heritage's operating and financial highlights for the three and six-month periods ended June 30, 2007 include the following:

- In Uganda, the Kingfisher-1 well tested 13,900 barrels of oil during the first quarter of 2007 from two shallower zones above the primary deeper target that was not reached. A more powerful rig, the Nabors 221, is currently being mobilised to Uganda and is expected to commence drilling of a second Kingfisher well towards the end of 2007. This rig has the capability to reach the primary target horizon on the Kingfisher structure. A 3D seismic program over the Kingfisher and Pelican structures in Block 3A was completed in July 2007. Interpretation of the data has commenced and this supports the original interpretation of the Kingfisher and Pelican structures, indicating the Kingfisher structure has an area of over 100 square kilometres. A 550 km 2D seismic survey commenced on Block 1 in May and is expected to be completed in October. Oil is known to have migrated to Block 1 as evidenced by the oil seep at Paraa, which is located on this block. Heritage is currently shooting certain in-fill seismic in the south eastern portion over very attractive leads which should provide a number of drilling locations. Interpretation of the first tranche of 172 km of seismic has been so encouraging that Heritage is now looking to accelerate drilling on Block 1 in 2008.

- In the Zapadno Chumpasskoye field, Russia (Heritage operator, 95% interest) crude oil production commenced on May 17, 2007, from well #226. A total of 24,700 barrels of oil were produced in the period to July 31, 2007. Well #226 tested 540 barrels of oil per day (bopd), but the current production rate is averaging 350 bopd as different operational practices are examined to ensure future field production is conducted in the optimum manner. The oil from Zapadno Chumpasskoye is light, 39 degree API, with a low water cut of about 0.2%.
- During the second quarter, Heritage successfully drilled appraisal well P#3 in the Zapadno Chumpasskoye field, a deviated well, to a depth of approximately 3,479 metres (2,764 metres true vertical depth). The well was cased in July and is awaiting completion and testing. A work-over rig will be used to test well P#3 in late August with a view to completing it as an oil producer in September. Heritage commenced drilling appraisal well P#2 in July 2007, and is currently at a depth of 1,146 metres. This well is expected to complete in late September / early October, following which a third appraisal well, P#4, will be drilled.
- Progress continues in the Kurdistan Region of Iraq. Heritage submitted an application for a PSA to the Minister of Natural Resources of the Kurdistan Regional Government in the first quarter of 2007. The Kurdish Regional Parliament approved a new hydrocarbon law on August 6, 2007. This law will be passed to the Kurdish Regional Government's Prime Minister for signature and thereafter, it is expected that the Kurdistan Regional Government will commence finalisation of pending PSA applications. Management considers Heritage is well placed to be awarded an exploration license later this year.
- Heritage signed a PSA in the DRC in the summer of 2006 for a 39.5%, non-operated interest in Blocks I and II covering over 6,000 square kilometres of onshore and offshore acreage in the DRC part of the Albert Basin. An exploration program in the DRC should commence with the acquisition of seismic, following a Presidential Decree ratifying the PSA, expected this year. The DRC seismic program will cover the western portion of Lake Albert.
- The development of the West Bukha field in Block 8, Oman (Heritage 10% interest) continues to advance. Field development is on-going with production from the West Bukha field slated to commence in the first half of 2008.

Heritage is an international oil and gas corporation with a diversified portfolio of properties, including a producing property in the Sultanate of Oman, a development property in Russia and exploration projects in the Republic of Uganda and the Democratic Republic of Congo. The Company is also pursuing opportunities in the Kurdistan region of Iraq and in other areas of Iraq.

The Company's Common Shares trade on the Toronto Stock Exchange under the symbol HOC.

This press release is not for distribution to United States Newswire Services or for dissemination in the United States.

**For further information please contact:**

**Investors Relations Contacts:**

**CHF Investor Relations**

**Cathy Hume**

Tel +1 416 868 1079 x231

Email [cathy@chfir.com](mailto:cathy@chfir.com)

**Heritage Oil Corporation**

**Contact Details**

**Tony Buckingham / Paul Atherton**

Tel +41 91 973 1800

+44 870 011 5555

+1 403 234 9974

Email [info@heritageoilcorp.com](mailto:info@heritageoilcorp.com)

**Kelly Cody**

Tel +1 416 868 1079 x223

Email [kelly@chfir.com](mailto:kelly@chfir.com)

**If you would prefer to receive press releases via email contact Kelly Cody ([kelly@chfir.com](mailto:kelly@chfir.com)) and specify “Heritage press releases” in the subject line.**

**FORWARD-LOOKING STATEMENTS:**

Except for statements of historical fact, all statements in this news release – including, without limitation, statements regarding production estimates and future plans and objectives of Heritage – 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; 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 AIF and elsewhere in Heritage documents filed from time-to-time with the Toronto Stock Exchange and other regulatory authorities. Further, any forward-looking statement is made only as of a certain date and 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.