



15 September 2008

Heritage Oil Limited
("Heritage" or the "Company")

**HERITAGE OIL OBTAINS GOVERNMENT APPROVAL AND COMPLETES
FARM-IN DOCUMENTATION IN TANZANIA**

Heritage Oil Limited (LSE: HOIL), an independent upstream exploration and production company, announces the approval by the Government of Tanzania of farm-ins to four exploration licences in Tanzania and the transfer of operatorship to Heritage.

Highlights

- Farm-in to the Kisangire and Lukuliro licences, which are held under one production sharing agreement ("PSA"), has been approved by the Government of Tanzania. Heritage appointed operator of these licences
- Farm-in to the Kimbiji and Latham licences, also held under one PSA, was approved by the Government of Tanzania earlier this summer. Heritage is the operator of the work programme
- The four licence areas are located in Eastern Tanzania and have a total area of approximately 25,000 square kilometres
- Seismic acquisition commenced this month, initially in the onshore part of the Kimbiji licence area
- First well planned during the second half of 2009

Heritage previously announced the farm-ins to the Kimbiji and Latham licences on 11 April 2008 and the Kisangire and Lukuliro licences on 21 April 2008.

Heritage has commenced acquisition of 2D seismic, initially in the onshore part of the Kimbiji licence area, after which seismic operations will be conducted in the Kisangire licence area. Heritage plans to drill its first well in Tanzania in the second half of 2009.

Kisangire and Lukuliro Licence Areas

The Kisangire and Lukuliro licence areas cover an area of 7,280 square kilometres and 8,828 square kilometres respectively, onshore Tanzania. The PSA was originally awarded to Dominion Petroleum Limited ("Dominion") in May 2005 with an exploration period of four years followed by one extension of four years, a further extension of three years and the right to a development licence with a term of 25 years.

Under the terms of the farm-in agreement with Dominion, Heritage initially has the right to earn a working interest of 55% in the Kisangire and Lukuliro licences. In order to earn the working interests, Heritage will fund all costs to acquire a minimum of 150 kilometres of 2D seismic data and drill the first commitment well. Heritage also has an option to earn an additional 15% working interest, thereby increasing its participating interest to 70%, by funding 87.5% of the costs of a second well.

Latham and Kimbiji Licence Areas

The Latham and Kimbiji licences, covering 5,056 square kilometres and 4,298 square kilometres respectively, encompass onshore (1,881 square kilometres), near shore (2,981 square kilometres), and deep water (4,491 square kilometres) areas. The PSA was awarded by way of a competitive tender process to Petrodel Resources Ltd (“Petrodel”) by the Tanzanian Government in September 2006, having an exploration period of four years, followed by extensions of four years and three years respectively, with the right to a development licence with a term of 25 years.

Under the terms of the farm-in agreement with Petrodel, Heritage has the right to earn a 70% working interest in the Kimbiji licence area, and a 29.9% working interest in the Latham licence area in return for funding all seismic costs required for the initial exploration period on both licences and the drilling of two exploration wells within the Kimbiji licence area. Heritage will act initially as contract operator, being responsible for all technical and operational aspects of the work programmes and will be appointed operator upon drilling the second exploration well in the Kimbiji licence.

The Kimbiji and Kisangire licence areas are close to the Mkuranga-1 gas discovery, which was drilled in 2007 and reportedly flowed gas at a rate of 20 mmcf/d. The large Songo Songo producing gas field is located approximately 60 kilometres to the south east of the Kimbiji licence area.

Historic seismic data, combined with encouraging hydrocarbon shows in wells drilled in the region and oil seeps at Wingayongo in the Kisangire licence area, indicate the presence of a working hydrocarbon system that is generating both oil and gas.

Tony Buckingham, Chief Executive Officer, commented:

“We are very pleased to have received Government approval and completed the farm-in agreements in Tanzania. These prospective licences form part of the Company’s strategy of exploring new regions with considerable hydrocarbon potential. Heritage’s activity in Tanzania has already commenced with the acquisition of seismic, which will be followed by a drilling programme next year.”

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Notes to Editors

- Heritage is listed on the Main Market of the London Stock Exchange and is a constituent of the FTSE 250 Index. The trading symbol is HOIL. Heritage has a further listing on the Toronto Stock Exchange (TSX: HOC).
- A location map of the Kisangire, Lukuliro, Kimbiji and Latham licence areas is available on Heritage's website at www.heritageoiltd.com.
- 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.
- Heritage has producing properties in Oman and Russia and exploration projects in Uganda, the Kurdistan Region of Iraq, the Democratic Republic of Congo, Malta, Pakistan, Tanzania and Mali.

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