



31 December 2009

**HERITAGE OIL NOTICE OF RESULTS OF BONDHOLDER MEETING AND
NOTICE OF AMENDMENT TO AGENCY AGREEMENT (INCLUDING TERMS
AND CONDITIONS OF BONDS)**

**Heritage Oil Plc
("Heritage" or the "Company")**

Heritage Oil Plc (LSE: HOIL), an independent upstream exploration and production company, announces, in relation to the U.S.\$165,000,000 8.00 per cent. Convertible Bonds 2012 (ISIN: XS0285398433) (the "**Bonds**") issued by its wholly-owned indirect subsidiary, Heritage Oil Corporation ("**HOC**"), of which U.S.\$127,100,000 are outstanding at today's date, that at the meeting of the holders of the Bonds (the "**Bondholders**") held on 31 December 2009 (the "**Bondholder Meeting**"), the extraordinary resolution contained in the Notice of Bondholder Meeting dated 9 December 2009, as amended by the Amendment Notice dated 23 December 2009, (the "**Resolution**") put to the Bondholders was duly passed and certain amendments to the Terms and Conditions of the Bonds resulting from the passing of the Resolution were made. A notice (the "**Results Notice**") was issued by HOC to Bondholders today to announce the voting results. The Results Notice is set out below in full.

**"HERITAGE OIL CORPORATION
(the "Company")**

**U.S.\$165,000,000 8.00 PER CENT. CONVERTIBLE BONDS DUE 2012
issued by the Company (ISIN: XS0285398433) (the "Bonds")**

**NOTICE OF RESULTS OF BONDHOLDER MEETING AND NOTICE OF
AMENDMENT TO AGENCY AGREEMENT (INCLUDING TERMS AND
CONDITIONS OF BONDS)**

NOTICE IS HEREBY GIVEN that at the meeting of the holders of the outstanding Bonds (the "**Bondholders**") held on 31 December 2009 (the "**Meeting**"), the Extraordinary Resolution put to the Bondholders was duly passed.

Set out below are the voting results in respect of the Extraordinary Resolution proposed at the meeting. The number of Bonds carrying a vote in issue at today's date is 1,271 of a par value of U.S.\$100,000 each, representing an aggregate principal amount of U.S.\$127,100,000.

| Description | For | | Against | |
|--------------------------|--------------------------------------|--------------|--------------------------------------|--------------|
| | Votes (by principal amount of Bonds) | % Votes Cast | Votes (by principal amount of Bonds) | % Votes Cast |
| EXTRAORDINARY RESOLUTION | 118,900,000 | 100 | NIL | NIL |

Overall, 93.55 per cent. of the issued and outstanding Bonds voted and all voted in favour of the Extraordinary Resolution.

The full text of the Extraordinary Resolution is contained in the Notice of Bondholder Meeting dated 9 December 2009, as amended by the Amendment Notice dated 23 December 2009.

Further, **NOTICE IS HEREBY GIVEN** to the Bondholders of certain amendments to the terms and conditions of the Bonds effected by the execution by the Company, The Bank of New York Mellon (the “**Agent**”) and Heritage Oil Plc (“**Heritage Oil**”) of a deed of amendment dated 31 December 2009 (the “**Deed of Amendment**”) following the passing of the Extraordinary Resolution at the Meeting. The Deed of Amendment amends the paying and conversion agency agreement (as amended by a deed of amendment dated 31 March 2008 between the Company, the Agent and Heritage Oil) (the “**Agency Agreement**”) (including the form of definitive bond (the “**Form of Definitive Bond**”) to which the terms and conditions of the Bonds (the “**Terms**”) are affixed and the form of permanent global bond (the “**Form of Permanent Global Bond**”) representing the Bonds) executed by the Company and the Agent on 16 February 2007 by which the Bonds are constituted.

Summary of Amendments

By the execution of the Deed of Amendment:

1. the following amendments have been made to the Terms contained in the Agency Agreement:
 - (a) the second paragraph under the heading “Terms and Conditions of the Bonds” be deleted in its entirety and replaced with the following:

“The issue of the U.S.\$165,000,000 8.00 per cent. Convertible Bonds due 2012 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any further bonds issued pursuant to Condition 16 and consolidated and forming a single series with the Bonds) was (save in respect of any such further bonds) authorised by a resolution of the Board of Directors of Heritage Oil Corporation (the “**Issuer**”) passed on 13 February 2007. A Paying and Conversion Agency Agreement dated 16 February 2007 (as amended by an agreement dated 31 March 2008 between the Issuer, The Bank of New York Mellon and Heritage Oil Plc, a company incorporated in Jersey with registered number 99922 (“**HOP**”) and as further amended by an agreement dated 31 December 2009 between the Issuer, The Bank of New York Mellon and HOP) (the “**Agency Agreement**”) has been entered into in relation to the Bonds between the Issuer and The Bank of New York Mellon (the “**Paying and Conversion Agent**”, which expression shall include any successor as paying and conversion agent under the Agency Agreement). The Agency Agreement includes the form of Bonds and the Coupons (as defined below). Copies of the Agency Agreement and the Security Deed (as defined below) are available for inspection at the specified offices of the Paying and Conversion Agent. The holders of the Bonds (the “**Bondholders**”) and the holders of the Coupons (whether or not attached to them) (the “**Couponholders**”) are deemed to have notice of all the provisions of the Agency Agreement applicable to them.”;

- (b) in condition 1(a) (*Form*), the reference to “HOL” be deleted and replaced with a reference to “HOP”;
- (c) in the second and the final paragraph of condition 2 (*Status and Security*), the references to “The Bank of New York” be deleted and replaced with references to “The Bank of New York Mellon”;
- (d) in condition 3 (*Negative Covenants*):
 - (i) condition 3(a) (*Dividend Restriction*) be deleted in its entirety, and existing condition 3(b) (*Restrictions on secured indebtedness*) and 3(c) (*Negative Pledge*) be renumbered accordingly; and
 - (ii) in condition 3(a) (as renumbered pursuant to the previous sub-clause of the Deed of Amendment) (*Restrictions on secured indebtedness*) and 3(b) (as renumbered pursuant to the previous sub-clause of the Deed of Amendment) (*Negative Pledge*), the references to “HOL” be deleted and replaced with references to “HOP”;
- (e) in condition 4 (*Definitions*):
 - (i) the references to “HOL” be deleted and replaced with references to “HOP” in the following definitions:
 - A. “**Group**”;
 - B. “**Newco Scheme**”; and
 - C. “**Relevant Event**”; and
 - (ii) the definition of “**Capital Distribution**” be deleted;
- (f) in condition 6 (Conversion of Bonds into Common Shares):
 - (i) in the final paragraph of condition 6(a) (*Conversion Period and Conversion Price*), in condition 6(b)(i), 6(b)(ii) (as amended pursuant to the Resolution) and 6(b)(iii) to (viii) inclusive, and in condition 6(e) (*Employees’ Share Schemes*) and 6(l) (*Purchase or Redemption by the Issuer of its own Shares*), the references to “HOL” be deleted and replaced with references to “HOP”; and
 - (ii) condition 6(b)(ii) be deleted in its entirety and replaced with the following:

“*Capital Distribution*: If and whenever HOP shall pay or make any Dividend (as defined below) to the Shareholders, HOP shall make or pay to the holder of each Bond which is outstanding on the record date for such Dividend an amount or distribution (the “**Pass-through Dividend**”) which is equal to the Dividend which would be received by the holder of a number of Common Shares equal to the number of Common Shares to which the holder of such Bond would have been entitled if it had exercised its Conversion Rights on the record date for the relevant

Dividend, PROVIDED THAT, in the event that the relevant Dividend is paid or made otherwise than in cash, HOP may elect instead to pay the Fair Market Value of the Pass-through Dividend.

No adjustment to the Conversion Price will be made in respect of any Dividend paid or made by HOP.

For the purposes of the above, the Fair Market Value of a Dividend shall (subject as provided in paragraph (a) of the definition of “Dividend” below and in the definition of “Fair Market Value” below) be determined as at the date of the first public announcement of the relevant Dividend.

In making any such calculation, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or subdivision of any Common Shares or the issue of Common Shares.

“**Dividend**” means any dividend or distribution (including a Spin-Off) whether of cash, securities, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Common Shares or other Securities) provided that:

- A. where a cash Dividend is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Common Shares or other securities, property or assets, then for the purposes of this definition the Dividend in question shall be treated as a Dividend of the greater of (i) such cash Dividend and (ii) the Fair Market Value (on the date of the first public announcement of such Dividend or if later, the date on which the number of Common Shares (or amount of property, securities or assets, as the case may be) which may be issued or delivered is determined) of such Common Shares or other property, securities or assets;
- B. a purchase or redemption of share capital of HOP by HOP or any Subsidiary Undertaking of HOP shall not constitute a Dividend unless, in the case of purchases of Common Shares by or on behalf of HOP or any of its Subsidiary Undertakings, the Volume Weighted Average Price per Common Share (before expenses) on any one day in respect of such purchases exceeds by more than 5 per cent. the Volume Weighted Average Price of a Common Share on the five immediately preceding dealing days either (1) on that day, or (2) where an announcement has been made of the intention to purchase Common Shares at some future date at a specified price, on the dealing day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a dealing day, the immediately preceding dealing day, in which case such purchase shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such Common Shares purchased

by HOP or, as the case may be, any of its Subsidiary Undertakings exceeds the product of (i) 105 per cent. of the Volume Weighted Average Price of the Common Shares determined as aforesaid and (ii) the number of Common Shares so purchased; and

- C. if HOP or any of its Subsidiary Undertakings shall purchase any receipts or certificates representing Common Shares, the provisions of paragraph B shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided that (i) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value (a) of such Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Price of such Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five dealing days on the relevant market commencing on such date (or, if later, the first such dealing day such Spin-Off Securities, options, warrants or other rights are publicly traded); and (iv) in the case of (i) translated into the Relevant Currency (if declared or paid in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the cash Dividend in the Relevant Currency; and in any other case, converted into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the Prevailing Rate of Exchange at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“Spin-Off” means:

- A. a distribution of Spin-Off Securities by HOP to Shareholders as a class; or
- B. any transfer of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than HOP) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders, as a class (but excluding the issue and allotment of shares by Newco to Existing Shareholders), pursuant in each case to any arrangements with HOP or any of its Subsidiary Undertakings.

“**Spin-Off Securities**” means equity shares of an entity other than HOP.”; and

- (g) in condition 10 (*Events of Default*) and 11 (*Undertakings*), all references to “HOL” be deleted and replaced with references to “HOP”.”; and
2. such further consequential amendments have been made to the Agency Agreement, including the Form of Definitive Bond and the Form of Permanent Global Bond, as were necessary to give effect to the amendments referred to in paragraph 1 above and to reflect the change of name of Heritage Oil Limited to Heritage Oil Plc.

Subject to the above-mentioned amendments, the Agency Agreement remains unchanged and the Bonds shall otherwise continue in full force and effect. **The Company advises that the amendments to the Agency Agreement pursuant to the Deed of Amendment in relation to the change of name of Heritage Oil Limited to Heritage Oil Plc are not prejudicial to the interests of the Bondholders.**

This notice is given by
HERITAGE OIL CORPORATION
in its capacity as issuer
of the Bonds

Dated: 31 December 2009”

- ends -

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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).
- 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 a producing property in Russia and exploration projects in Uganda, the Kurdistan Region of Iraq, the Democratic Republic of Congo, Malta, Pakistan, Tanzania and Mali.
- For further information please refer to our website, www.heritageoilplc.com

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FORWARD-LOOKING INFORMATION:

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 – constitute forward-looking information 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 Prospectus and elsewhere in Heritage documents filed from time-to-time with the London Stock Exchange and other regulatory authorities. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information 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 information.