



For Immediate Release: Friday, January 5, 2007

**HERITAGE OIL REPORTS FINAL TEST RESULTS OF 12,750 BOPD AND
26 MMSCF/D FROM WEST BUKHA-2A WELL TEST IN OMAN**

Calgary, Alberta, January 5, 2007 – Heritage Oil Corporation (TSX: HOC) today announced that Indago Petroleum Limited, the operator of the West Bukha-2A well in Block 8 offshore the Sultanate of Oman, in which Heritage is a 10% partner, today issued the following press release in connection with the well:

**Conclusion of Successful Testing of West Bukha-2A Well
Offshore the Sultanate of Oman ('Oman').**

Highlights

- Final test results in West Bukha-2A have demonstrated a combined flowrate from the two zones tested (Ilam/Mishrif/Mauddud and Thamama) of approximately 12,750 bopd and 26 MMscf/d. This was achieved through sustained rates of approximately 25 MMscf/d and 8,364 bopd from the Ilam/Mishrif/Mauddud formation, combined with the flow of up to 4,392 bopd previously reported for the separate, Thamama formation.

Indago Petroleum, the oil and gas exploration and production company operating in Oman and the UAE, is pleased to announce that Indago Oman Limited ("IOL") (a wholly owned subsidiary of Indago Petroleum Limited), as operator for the Block 8 Joint Venture (comprising IOL 40%, Eagle Energy (Oman) Limited 10% and LG International Corporation 50%), has concluded testing operations on the West Bukha-2A (WB2A) well, offshore Oman. Sustained production rates of 25MMscf/d and 8,364 bopd were achieved from the upper Ilam/Mishrif/Mauddud formation in the final test, complementing the flows of up to 4,392 bopd discovered in the lower Thamama formation in the first test.

In a previous release on 21st November 2006 it was reported that the main target in WB2A, the Ilam/Mishrif/Mauddud, over a perforated interval of 60m spanning a depth from 4,005m to 4,127.5m (MDRKB), had been flowed at approximately 7,600 bbls/ d and 20.5 MMscf/d with a flowing tubing pressure of around 2,450 psia before surface and downhole equipment failures forced us to curtail the test. After repair and replacement of the equipment the test was conducted to a successful conclusion. The same interval was flowed at various rates over the period from 5th to 10th December, including one for 15 hours on a choke setting of 72/64" which flowed at an average of 24.9 MMscf/d and 8364 bbls/d of 41.5° API oil, with a tubing pressure of 2,090 psia. By the end of that flow the water cut, resulting from the

previous well kill and subsequent re-acidisation, had fallen to 3%, and no water was recorded during the final flow period.

These flows are additional to those recorded from the Thamama formation of up to 4,392 bbls/d of 42° API oil, as reported in Indago's release of 8th November 2006. Therefore the total combined rate from these two separate zones (Thamama plus Ilam/Mishrif/Mauddud) is 12,756 bopd and 26.3 MMscf/d.

Peter Sadler, CEO of Indago Petroleum commented:

“Our success at West Bukha, achieving such steady and productive flows has further underpinned the commercial viability of the project and is another step closer to future production.”

Heritage's 10% working interest in Block 8 is held through its 100%-owned subsidiary, Eagle Energy (Oman) Limited.

Heritage is an international oil and gas corporation with 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 regions of Iraq.

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

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