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Heritage Oil Limited (“Heritage” or the “Company” and together with subsidiaries the “Group”)

HERITAGE OIL PUBLISHES 2007 ANNUAL REPORT

Heritage Oil Limited, an independent upstream exploration and production company, announces the publication of its annual report for the year ended 31 December 2007. The last 15 months have been outstanding for the Group with successful exploration in Uganda and the listing on the London Stock Exchange. 2008 should be a pivotal year for Heritage. The Company has the resources and team to achieve strong growth in the size and value of its energy assets. Its strategy is to generate growth in shareholder value through the development, production and acquisition of a portfolio of oil and gas interests, leveraging off a highly effective network of influential industry, political and institutional relationships.

Operational and Financial Highlights

All figures are in U.S. dollars unless otherwise noted.

Operational

- Kingfisher-1 well in Block 3A in Uganda tested at 13,893 bopd from four intervals
- Miran Block Production Sharing Contract awarded in the Kurdistan Region of Iraq
- First production from the Zapadno Chumpasskoye field in Russia
- Expanded portfolio of significant licence awards and farm-ins in Mali, Malta, Pakistan and Tanzania in the last six months
- 110% increase in annual production from continuing operations to 129,900 barrels of oil

Financial

- Primary listing on the Main Market of the London Stock Exchange completed on 31 March 2008
- Over \$350 million of funds raised in 2007; \$165 million by way of a convertible bond issue and \$186 million from the issue of shares
- Strong balance sheet with cash of \$230 million at 31 December 2007

Operationally, Heritage has made significant progress on all fronts, but none more so than in Uganda. Although the Group has been active in Uganda since 1997, its achievements over the last two years have been particularly significant. Heritage, as the Operator of Blocks 3A and 1 in Uganda, completed the drilling of the Kingfisher-1 well in Block 3A in March 2007. This well tested 13,893 bopd from four intervals in the secondary zones. The discovered oil was good quality, light (between 30 and 32 degrees API) and sweet with a low gas-oil ratio and some associated wax.

A more powerful rig capable of penetrating the primary target not reached by the Kingfisher-1 well has just commenced drilling the Kingfisher-2 well and there are plans to drill a number of other targets in Uganda in the next year. New seismic data acquired in Block 1 during 2007 has led to identification of a number of structures and drilling is expected to commence on these prospects during 2008. Additionally, there are plans to commence drilling on the offshore Pelican structure in Block 3A during 2009.

There was also success in the Kurdistan Region of Iraq where the Group was awarded a production sharing contract over the Miran Block. A 2D seismic acquisition programme has commenced with drilling slated to begin towards the end of this year.

In the last six months, the Group has expanded its portfolio with significant licence awards and farm-ins in Mali, Malta, Pakistan and Tanzania. Heritage now has a portfolio of assets with significant scope for success.

Corporately, the Group completed its reorganisation, which resulted in a new parent company, Heritage Oil Limited, being listed on the Main Market of the London Stock Exchange. This significant undertaking was completed on 31 March 2008.

Michael Hibberd, Chairman stated:

“Looking forward, as we initiate high-impact drilling programmes in Uganda and the Kurdistan Region of Iraq, our solid working capital position ensures that we can reasonably expect to create additional shareholder value. We believe 2008 will be another exciting year for Heritage as we drive our business forward at an accelerated rate.”

Heritage’s 2007 annual report is available on its website at www.heritageoiltd.com. Heritage also announces the filing of the reports as required by section 2.1 of National Instrument 51-101, the Canadian standard of disclosure for oil and gas activities, for the year ended 31 December 2007, which may be found at www.sedar.com.

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Notes to Editors

- Heritage is listed on the Main Market of the London Stock Exchange. The trading symbol is HOIL.
- 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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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.