



**2 August 2010**

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

**HERITAGE OIL DECLARES SPECIAL DIVIDEND OF £1.00 PER SHARE**

Heritage Oil Plc (LSE: HOIL), an independent upstream exploration and production company, today announces the declaration of a special dividend of £1.00 per ordinary share of the Company ("**Ordinary Share**"). Heritage Oil Corporation ("**HOC**"), the Company's wholly owned subsidiary, today also announces the declaration of a special dividend of Cdn\$1.62 per exchangeable share of HOC ("**Exchangeable Share**"), calculated at an exchange rate of £1.00:Cdn\$1.62.

This announcement follows that made on 27 July 2010 in respect of the completion of the sale of the Company's entire interests in Block 1 and Block 3A in Uganda to Tullow Uganda Limited (the "**Sale**") and the Company's intention to distribute a significant proportion of the consideration received for the Sale to its shareholders.

Ordinary Shares

The special dividend of £1.00 per Ordinary Share will be paid by the Company on 27 August 2010 to holders of Ordinary Shares on the share register at the close of business London time on 13 August 2010, the record date. The Ordinary Shares will be quoted ex-dividend on the London Stock Exchange on 11 August 2010.

Exchangeable Shares

The special dividend of Cdn\$1.62 per Exchangeable Share will be paid by HOC on 27 August 2010 to holders of Exchangeable Shares on the share register at the close of business Toronto time on 13 August 2010, the record date. The Exchangeable Shares will be quoted ex-dividend on the London Stock Exchange and the Toronto Stock Exchange on 11 August 2010.

Bonds

As disclosed in the Company's announcement of 31 December 2009, certain amendments to the terms of the US\$165,000,000 8.00 per cent. convertible bonds due 2012 (the "**Bonds**") were approved by Bondholders. Pursuant to such amendments, no adjustments will be made to the conversion rights under the terms of the Bond (the "**Conversion Rights**") in respect of any dividend paid or made by the Company; instead, the Company agreed to pay the holder of each Bond outstanding on the record date for such dividend a pass-through dividend (the "**Pass-through Dividend**") which is equal to the dividend which would be received by the holder of a number of Ordinary Shares equal to the number of Ordinary Shares to which the Bondholder would have been entitled if it had exercised its Conversion Rights on the record date for the relevant dividend. The record date for these purposes is 13 August 2010.

The aggregate principal amount of Bonds outstanding at the date of this announcement is US\$127,100,000. These Bonds are convertible into 27,042,553 Ordinary Shares pursuant to

the Conversion Rights and accordingly the Company will (assuming no conversion or redemption of the Bonds prior to the record date) pay to Bondholders a Pass-through Dividend of £27,042,553 on the dividend payment date, being 27 August 2010.

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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 the Kurdistan Region of Iraq, the Democratic Republic of Congo, Malta, Pakistan, Tanzania and Mali.
- All dollars are US\$ unless otherwise stated.
- 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.