



For Immediate Release: Tuesday, October 2, 2007

Heritage Oil Corporation (“Heritage” or “the Company”)

**HERITAGE OIL AWARDED PRODUCTION SHARING CONTRACT IN
KURDISTAN REGION OF IRAQ**

Calgary, Alberta, October 2, 2007 – Heritage Oil Corporation (TSX: HOC, Heritage) today is pleased to announce that it has executed a Production Sharing Contract with the Kurdistan Regional Government (KRG) over Miran Block in the south-west of the Kurdistan Region of Iraq and that Heritage will be operating as a 50/50 partner with the KRG to create a 20,000 barrel per day oil refinery in the vicinity of the licence area.

Under the terms of the agreement, Heritage Energy Middle East Limited, a wholly owned subsidiary of Heritage, will serve as operator. Heritage will join the existing and increasing presence of international oil exploration, development and production companies operating in the Kurdistan Region of Iraq.

The licence area is 1,015 square kilometres and encompasses the very large Miran structure. This structure, as expressed at surface, constitutes an area of approximately 500 square kilometres and appears to have three separate culminations. Reservoir potential exists at numerous zones that management estimate could contain in excess of 1 billion barrels of oil. Recent drilling results have demonstrated the enormous potential of this region.

In addition, Heritage has also entered into a strategic agreement with the KRG to establish a 50/50 joint venture company which shall build, own and operate an oil refinery in the vicinity of the licence. The refinery, which should have a capacity of 20,000 barrels of oil per day, is scheduled to be operational to design specification within approximately two years. Heritage is especially pleased to be part of this extremely exciting and profitable project that will create value added petroleum products for the region and all of Iraq.

Heritage will commence geological work immediately, having established its local office in Erbil in 2005, and aims to commence a high-impact exploration drilling program in 2008. Heritage has assembled a highly experienced technical team with considerable experience of the regional geology.

The total contractual financial commitment for the Miran Licence is estimated to be less than US\$40 million distributed over the first five year term, which can be extended for a further two years thereafter. The exploration licence will be automatically converted into a development licence on a commercial discovery.

Mr. Tony Buckingham, CEO, stated:

“We are delighted to be among the first international companies to be awarded a licence in the Kurdistan Region subsequent to the approval of the Oil and Gas Law in August 2007. We consider this licence to be one of the most prospective blocks in this until now under-explored region, with billion barrel oil potential. This licence can become a world-class asset which would generate significant additional shareholder value for Heritage. Our long-term commitment to the oil industry and further economic development in the Kurdistan Region is demonstrated further by our winning the right to build and operate a refinery in the vicinity of the Miran licence in a joint venture with the Kurdistan Regional Government.”

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Heritage Oil Corporation

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Notes to Editors

- Heritage is an international oil and gas corporation with a diversified portfolio of properties, including a producing property in the Sultanate of Oman, a development property in Russia and exploration projects in the Republic of Uganda, the Democratic Republic of Congo and the Kurdistan Region of Iraq
- Heritage’s management team has a proven track-record of finding new large oil discoveries, including the new hydrocarbon system in Lake Albert, Uganda and the M’Boundi field in the Republic of Congo

- A location map of the Miran licence is available on Heritage's website at www.heritageoilcorp.com

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FORWARD-LOOKING STATEMENTS:

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