



1 December 2008

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

HERITAGE OIL SPUDS BUFFALO-1 EXPLORATION WELL IN UGANDA

Heritage Oil Limited, an independent upstream exploration and production company, announces that it has commenced drilling the Buffalo-1 exploration well in Block 1, Uganda.

Highlights

- Buffalo-1 is the second well to be drilled in Block 1, Uganda, and is part of a three well exploration programme being drilled back to back
- Recent discovery at Warthog-1 in Block 1 has lowered the exploration risk substantially and emphasises the highly prospective nature of both Buffalo and Giraffe prospects
- Kingfisher-3, Block 3A, has reached target measured depth of 3,200 metres and is being logged

Drilling Activity – Block 1, Uganda

The Buffalo-1 exploration well is being drilled to an anticipated depth of approximately 600 metres and is expected to take between two and three weeks to drill and complete.

The Warthog-1 discovery well in Block 1, which encountered a net hydrocarbon column of 46 metres in a gross interval of 150 metres, has lowered the exploration risk of Buffalo, Giraffe and other prospects in Block 1 significantly.

Warthog-1 was the first well drilled in a three well exploration programme in Block 1. It lies on a structural trend that can be traced from the Kasamene-1 discovery well, in neighbouring Block 2, northeast through the Giraffe and Buffalo prospects in Block 1. All of these prospects are characterised by seismic amplitude anomalies that appear to indicate the presence of hydrocarbons.

Drilling Activity – Block 3A, Uganda

The Kingfisher-3 appraisal well, which was spudded on 26 September 2008, is currently operating at target depth of 3,200 metres measured depth (total vertical depth 2,619 metres). A series of wireline logs are being run. Subsequent to operations being completed on Kingfisher-3, it is planned to drill the Kingfisher-3A sidetrack to an anticipated measured depth of approximately 2,860 metres, which is expected to be completed by late January or early February 2009. The well and sidetrack are being drilled to evaluate the southern limits of the oil field and to gather additional reservoir data in preparation for field development.

Planned Drilling Activity in 2008

Country	Block	Prospect	Operated Interest	Estimated Spud Date/Status
Uganda	Block 1	Buffalo	50%	Being drilled
Uganda	Block 1	Giraffe	50%	December 2008
Uganda	Block 3A	Kingfisher 3/3A	50%	Being drilled
Kurdistan Region of Iraq	Miran	Miran West-1	100%	December 2008

Tony Buckingham, CEO, commented:

“Buffalo-1 is the second well to be drilled in Block 1 as part of our multi-well drilling programme in Uganda and has been derisked significantly with the Warthog-1 discovery announced last month. The current exploration programme has the potential to achieve the commercial threshold required for development of reserves in Uganda allowing for early development of the Albert Basin. This continues to be an exciting time for Heritage with a geographically diverse drilling programme which can act as a catalyst with a further two exploration wells planned to spud before year-end.”

Heritage is the Operator of Block 3A and Block 1 in Uganda with a 50% equity interest in the licences with Tullow Oil Plc holding the remaining 50% interest.

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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 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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