



For Immediate Release: Wednesday, 6 August 2008

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

HERITAGE OIL PROVIDES UGANDA DRILLING UPDATE

Heritage Oil Limited (LSE: HOIL), an independent upstream exploration and production company, is pleased to provide an update on encouraging drilling activities in Uganda.

Highlights

- Excellent results from Tullow Oil’s Kasamene-1 well in Block 2, substantially lowers the exploration risks in Heritage’s Block 1
- Structural trends can be traced from Kasamene-1 well (Block 2) to Warthog, Giraffe and Buffalo prospects (Block 1). Drilling programme to commence shortly
- Potential for Warthog prospect to be part of the same structure as Kasamene
- Kingfisher-2 well in Block 3A to production test reservoirs in August

Upcoming Heritage Drilling Activity in Block 1, Albert Basin, Uganda

Heritage is planning an active drilling campaign in Block 1 that is expected to commence next month on the Buffalo, Giraffe and Warthog prospects. The excellent drilling results from the Kasamene-1 well (as announced by Tullow Oil plc to the London Stock Exchange today and referenced below), significantly lowers the exploration risk of these and other prospects in Block 1.

Kasamene-1 is located approximately 2.5 kilometres from Block 1, and appears to have been drilled on a structural trend characterised by encouraging seismic amplitude anomalies. This trend can be traced northwards from the Kasamene discovery through the Warthog, Giraffe and Buffalo prospects.

Both the Buffalo and Giraffe prospects were independently assessed by RPS Energy as at 30 September 2007 to have mean gross un-risked prospective resources of 420 and 89 million barrels of oil respectively. The Warthog prospect is located approximately 5.5 kilometres north of the Kasamene well, with the crest and the greater part of the structure being located within Block 1. The Warthog and Kasamene prospects may not be just related structures on trend with one another, but could also be part of the same structure.

Production Test of Kingfisher-2 Well, Block 3A, Albert Basin, Uganda

This deviated appraisal well has been drilled to a total depth of 3,906 metres, (3,197 metres true vertical depth). Heritage will be testing three zones, which based on a preliminary evaluation of wireline log data, have an estimated net thickness of 37 metres over a gross interval of approximately 100 metres. These three zones appear equivalent to the Upper Miocene discoveries in the Kingfisher-1 well.

In the deeper section the well penetrated the targeted basal sands comprising approximately 30 metres of reservoir overlain by a good potential shale top-seal. Although no hydrocarbons were present in the basal sands at this location, it is considered that these could still be an important reservoir target for other prospects within Block 3A. This potential will be evaluated as part of the planned Lake Albert offshore drilling programme in 2009.

Heritage expects to have completed testing of the well before the end of this month.

Tony Buckingham, CEO, commented:

“The Kingfisher-2 and Kasamene-1 wells continue the very successful drilling programmes in the Albert Basin. We believe that these successes coupled with the near-term drilling programmes will prove up sufficient reserves for commercial development. The remainder of the year will be a very exciting time for Heritage as we look forward to commencing drilling in Block 1 and continued drilling in Block 3A.”

Drilling in the Butiaba Region, Block 2, Albert Basin, Uganda

Tullow Oil, the operator of Block 2, Uganda, today issued the following press release:

“The Kasamene-1 exploration well, drilled in the Butiaba region of Uganda Block 2, has encountered over 31 metres of net oil pay and at least 6 metres of net gas pay.

The well was drilled some 1.5km from the crest of the structure to a total depth of 957 metres and has been successfully logged. Downhole pressure testing and sampling has confirmed the presence of dry gas and moveable 30-33 degree API oil. Reservoir quality for both zones is excellent. The most likely gas column is over 35 metres and the most likely oil column is over 75 metres. Further potential exists up-dip and an appraisal well will be required to test the vertical extent of the oil legs and gas cap. The well is currently being sidetracked and core will be taken throughout the reservoir section for analysis.

Kasamene-1 was drilled 15km to the north-west of the Ngege-1 discovery and is the second successful test of the Victoria Nile delta play fairway within the Lake Albert Rift Basin. The well results have confirmed the presence of excellent quality thick reservoir and seal units within the centre of the basin, and de-risks several adjacent prospects in Blocks 1 and 2 that will be drilled as part of the current 9 well Butiaba drilling campaign.

On completion of operations at Kasamene-1, the rig will move 10 kilometres to the East and drill the Kigogole-1 prospect starting in mid August.”

Heritage has a 50% interest in Blocks 3A and 1 with Tullow Oil as partner for the remaining 50%. A map of the oil wells and certain targets in Blocks 3A and 1 is available on the website: www.heritageoiltd.com

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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 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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