



13 November 2008

Heritage Oil Limited

(“Heritage” or the “Company”)

HERITAGE OIL INTERIM MANAGEMENT STATEMENT

Heritage Oil Limited (LSE: HOIL), an independent upstream exploration and production company, issues its Interim Management Statement for the period from 1 July 2008.

Highlights

- First exploration well ever drilled on Block 1, Uganda, discovers oil. The Warthog-1 discovery emphasises further the highly prospective nature of the Buffalo and Giraffe prospects which are to be drilled this year
- Buffalo-1 exploration well to spud later in November
- Record production test results from Kingfisher-2
- Kingfisher-3 drilling ahead at a depth of approximately 2,700 metres
- Rig secured to commence drilling the high-impact Miran West-1 exploration well, in the Kurdistan Region of Iraq, before year-end
- Company is well funded with cash of US\$113 million

EXPLORATION ASSETS

Block 1, Uganda

On 21 October 2008, Heritage announced the Warthog-1 discovery which has a gross hydrocarbon-bearing interval of approximately 150 metres, with 46 metres of net hydrocarbon pay. This was an excellent and exciting start to the drilling campaign in Block 1 and reduces significantly the exploration risk of the next two exploration wells in Block 1, Buffalo and Giraffe. In addition to the oil discovered in the principal oil-bearing reservoir section, there is further potential for liquid hydrocarbons in the overlying reservoir section and the Warthog North prospect, which lies adjacent to the Warthog discovery.

A further 15 prospects and leads, constituting multiple drilling targets, have been mapped in Block 1 from over 600 kilometres of seismic data acquired during the past 18 months. Many of these prospects and leads have the same amplitude anomalies seen at the Kasamene (Block 2) and Warthog discoveries.

The Warthog-1 well has now been suspended as a potential future production well and the rig is moving to the drilling location for Buffalo-1. Drilling of the Buffalo-1 well, which is expected to take between two and three weeks, is scheduled to commence within approximately ten days. Both the Buffalo and Giraffe prospects were assessed independently by RPS Energy, as at 30 September 2007, to have mean gross un-risked prospective resources of 420 million and 89 million barrels of oil respectively.

Block 3A, Uganda

Heritage announced record production test results from three reservoir intervals in the Kingfisher-2 appraisal well of 14,364 bopd on 3 September 2008. This is the highest rate ever recorded from a well in Uganda. These test rates were somewhat constrained by surface test equipment. It appears that these three zones are equivalent to the same three intervals tested in the Kingfisher-1 well, which flowed at a combined rate of 9,773 bopd.

The oil from both Kingfisher-1 and Kingfisher-2 is good quality, of light to medium gravity and sweet, with a low gas-oil ratio and some associated wax. The reservoirs are highly permeable sandstones, with an estimated permeability of over 3,000 milliDarcies.

The Kingfisher-3 appraisal well, which was spudded on 26 September 2008, is currently drilling ahead at a depth of approximately 2,700 metres. It is planned to drill Kingfisher-3, and its geological sidetrack Kingfisher-3A, to anticipated depths of approximately 3,270 metres and 2,860 metres, respectively. These wells are expected to be completed in 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.

The field development plan for the Kingfisher oil field is in progress as Heritage is looking at all potential options to fast-track the field development and commence production as early as possible.

On Lake Albert, work is continuing to prove up prospects, such as Crane and Heron, identified by the 2D seismic programme conducted in the third quarter of 2007. Work is also continuing on the Pelican and Kingfisher North prospects that were defined further by the acquisition of 3D seismic data.

Kurdistan Region of Iraq

Two large structures, Miran West and Miran East, have been mapped from the 332 kilometres of excellent quality seismic data acquired between April and June 2008. The results are so encouraging, with multi-billion barrels of oil potential, that the drilling programme has been accelerated and the Miran West-1 well is planned to spud before year-end.

Heritage has entered into an agreement with Great Wall Drilling Company Ltd. to use GW Rig #10 that is currently in-country and site preparation is underway. The rig is capable of drilling to over 3,000 metres and this well will target three principal reservoirs known from the immediate area to be the most productive.

Tanzania

On 15 September, Heritage announced that the two farm-ins in Tanzania had both been approved by the Government of Tanzania. Heritage has been appointed licence operator of the Kisangire and Lukuliro licences, which are held under one Production Sharing Agreement

("PSA") and operator of the work programme on the Kimbiji and Latham licences, which are also held under one PSA.

Heritage has commenced acquisition of 2D seismic programmes, initially in the onshore part of the Kisangire licence area, after which seismic operations will be conducted in the Kimbiji licence area. The Kimbiji and Kisangire licence areas are close to the Mkuranga-1 gas discovery in a neighbouring licence, which was drilled in 2007 and reportedly flowed gas at a rate of 20 mmcf/d. The large Songo Songo producing gas field is located approximately 60 kilometres to the southeast of the Kimbiji licence area.

Historic seismic data, combined with encouraging hydrocarbon shows in wells drilled in the region and oil seeps at Wingayongo in the Kisangire licence area, indicate the presence of a working hydrocarbon system that is generating both oil and gas.

Malta

An extensive seismic database was purchased at the beginning of this year and is currently being analysed.

Mali

Planning for a seismic programme to be undertaken in 2009 is in progress and geological field work is also planned for 2009.

Pakistan

Approval by the Directorate General of Petroleum Concessions ("DGPC") for the farm-ins into the Sanjawi licence and the Zamzama North licence is expected imminently.

PRODUCING ASSETS

Oman

Development of the West Bukha field is nearing completion. The West Bukha-3 development well was drilled earlier this year to a depth of 4,574 metres and tied back to the West Bukha platform awaiting commencement of production. The West Bukha-2 well, drilled in 2006, was deepened to 4,450 metres and a high angle extension was completed. The Bukha field is currently shut-in and the Bukha platform is undergoing an upgrade to handle production from the West Bukha field, which is scheduled to commence before the end of the year.

Russia

Average daily production during the third quarter increased by 28% to 475 bopd, compared to rates achieved in the first half of this year.

GKZ, the Russian Reserves Commission, approved the Zapadno Chumpasskoye field reserves submission in October 2008 confirming gross C1 + C2 reserves of 63.4 million barrels oil and 26.8 Bcf associated gas. This is in-line with proven and probable reserves of 64.4 million barrels determined independently by RPS Energy as at 30 September 2007.

Preparations are currently underway to continue the development programme in 2009. Detailed design of the separation facility expansion and export transportation is continuing.

Fracture stimulation of well P3 has commenced which will be followed by installing artificial lift.

Financing

At 30 September 2008, Heritage had a cash balance of US\$113 million which comfortably covers ongoing work programmes and current plans for 2009. Heritage is in a strong cash position, although it will carefully monitor expenditures in 2009 as would prudently be expected in the current financial environment.

Board Appointment

On 13 August 2008, Heritage announced the appointment of Salim Hassan Macki to the board as a non-executive Director. Mr. Macki, a petroleum engineer who has spent most of his working life in the oil industry, was a Member of the State Council, Former Ambassador, Government of Oman and has been a Director of Oman Oil (a wholly-owned Government company) since 1996.

Planned Drilling Activity in 2008

Country	Block	Prospect	Interest	Estimated Spud Date/Status
Uganda	Block 1	Buffalo	50%	November 2008
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, Chief Executive Officer, commented:

“Heritage has made strong progress operationally with exploration success in Uganda. The multi-well exploration programme in Block 1 has continued the 100% success rate achieved in the Albert Basin during the last three years. This is an exciting time for Heritage with two more wells planned in Uganda by the year-end and the commencement of drilling on the Miran licence in the Kurdistan Region of Iraq, all of which could be transformational for the Company. This continues to be the busiest and most exciting period for Heritage, given the potential of the wells about to be drilled.”

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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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