



**17 November 2009**

**Heritage Oil Plc**

**(“Heritage” or the “Company”)**

**HERITAGE OIL INTERIM MANAGEMENT STATEMENT**

Heritage Oil Plc (LSE: HOIL), an independent upstream exploration and production company, issues its Interim Management Statement for the period from 1 July 2009 to 16 November 2009, in accordance with reporting requirements of the EU Transparency Directive.

**Highlights**

- Appraisal drilling on Miran West structure, Kurdistan Region of Iraq, to commence later this month with further appraisal and development drilling planned in 2010
- Exploration drilling on the neighbouring Miran East structure planned for 2010
- High-impact exploration and appraisal, multi-well drilling campaign to commence in Block 1, Uganda, in early 2010
- Strong cash position of US\$222 million, sufficient for current planned work programmes in 2010
- Discussions with Genel Energy International Limited (“Genel”) are ongoing and it is hoped that a signed implementation agreement and prospectus will be published before the end of the year
- Commencement of Heritage’s busiest schedule of exploration, appraisal and development work programmes ever

**EXPLORATION ASSETS**

**Uganda**

Activity in Block 1 will recommence in early 2010 with a high-impact, six well, exploration and appraisal programme which will target the Buffalo East, Crocodile and Leopard prospects. This drilling campaign has the potential to add significantly to both the proven and contingent volumes of oil in Block 1. Site preparation work has already begun for well locations. The successful drilling campaign, which concluded in January 2009, has substantially lowered the risk applied to many of the analogous prospects in this block.

Drilling in Lake Albert in Block 3A, targeting the Pelican and Crane prospects, is planned for 2010.

Heritage is planning for early commercialisation of the Ugandan oil resources, with potential first production in 2011, and discussions with the government of Uganda are in progress. Heritage's Ugandan oil production from Blocks 1 and 3A will form part of a phased development plan for the region, which will focus initially on development of the Kingfisher Field and utilise the existing railway network in East Africa. An export pipeline to the coast is also being considered by Heritage, as well as a scheme to service local markets. A number of parties have approached Heritage with a view to financing large scale infrastructure programmes in Uganda and discussions with these parties continue.

### **Kurdistan Region of Iraq**

Drilling of the Miran West-2 well is expected to commence later this month and has been planned to appraise the reservoir sections previously encountered in the Miran West-1 discovery well, whilst minimising the risk of formation damage. The rig for Miran West-2 is currently moving approximately four kilometres north-west of the Miran West-1 well to the new location.

Miran West-2 constitutes the start of a multi-well drilling programme in 2010 on the Miran Block, which includes an exploration well on the Miran East structure.

### **Planned Exploration and Appraisal Drilling Activity**

<b>Country</b>	<b>Block</b>	<b>Prospect(s)</b>	<b>Interest</b>	<b>Estimated Spud Date</b>
Uganda	Block 1	Buffalo East-1, Prospects 2 & 3	50%	Q1 2010
Uganda	Block 1	Crocodile-1, Leopard-1, Prospect 6	50%	Q2 2010
Kurdistan Region of Iraq	Miran	Miran West-2	75%	November 2009
Kurdistan Region of Iraq	Miran	Miran East-1	75%	Q2 2010

Work programmes in Mali, Malta, Tanzania and Pakistan continue with the acquisition of seismic data and some drilling planned for 2010.

### **PRODUCING ASSET**

#### **Russia**

Production for the third quarter averaged 422 bopd, 83% higher than during the first half of this year. Shipment of crude oil to Transneft commenced in November 2009, expanding oil marketing opportunities in addition to supplying local buyers. A Full Development Plan is being prepared and should be submitted to the authorities by year end.

## **FINANCING**

Heritage has a strong cash position of US\$222 million at 30 September 2009, which covers ongoing work programmes and current plans for 2010 comfortably.

## **CORPORATE**

Discussions with Genel are continuing with the terms of the merger nearing formal agreement. Both sides remain committed to completing the proposed transaction. It is hoped that the implementation agreement can be signed and the prospectus published before the end of the year.

### **Tony Buckingham, Chief Executive Officer, commented:**

*“Operationally, Heritage is about to embark on its busiest period ever with high-impact multi-well drilling programmes in Kurdistan and Uganda, providing the potential for a significant increase in oil volumes. The previous successful drilling campaign in Block 1, Uganda, has de-risked the prospects for the upcoming programme in Uganda significantly.”*

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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 Uganda, 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](http://www.heritageoilplc.com)**

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**FORWARD-LOOKING INFORMATION:**

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