



**For Immediate Release: Friday, February 16, 2007**

**HERITAGE OIL COMPLETES PRIVATE PLACEMENT OF US\$165 MILLION  
CONVERTIBLE BONDS**

Calgary, Alberta, February 16 – Heritage Oil Corporation (TSX: HOC) today announced that it has raised US\$165 million by completing the private placement of convertible bonds. The bonds were issued at par and have a maturity of five years. The coupon and yield to maturity are 8.00% annually and the bonds are convertible into Common Shares at a price of US\$47 per share. J.P. Morgan Securities Ltd. acted as sole book-runner of the issue.

During the conversion period, investors will be able to convert into Common Shares of Heritage Oil Corporation. The convertible bonds are callable by Heritage, wholly or partially, during the first year at 150% of par plus any accrued interest. Bondholders' conversion rights will cease immediately on issuance of the call notice. The bonds will not be listed on any stock exchange.

Heritage will use the issue proceeds to finance the redemption of the outstanding US\$55 million of convertible bonds at a premium of 150% (original issue of US\$60 million at par in March 2006) and for general corporate funding purposes.

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 and the Democratic Republic of Congo. The Company is also pursuing opportunities in the Kurdistan region of Iraq and in other regions of Iraq.

The Company's Common Shares trade on the Toronto Stock Exchange under the symbol HOC.

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**If you would prefer to receive press releases via email contact Ana Augusta (ana@chfir.com) and specify “Heritage press releases” in the subject line.**

**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" and elsewhere in Heritage documents filed from time-to-time with the Toronto Stock Exchange and other regulatory authorities. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.