



21 October 2008

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

**HERITAGE OIL ANNOUNCES SUCCESSFUL WARTHOG-1
EXPLORATION WELL IN BLOCK 1 UGANDA**

Heritage Oil Limited (LSE: HOIL), an independent upstream exploration and production company, announces a significant new discovery with Warthog-1, the first exploration well that the Company has drilled in Block 1, Uganda.

Highlights

- The Warthog-1 discovery has a gross hydrocarbon-bearing interval of approximately 150 metres, with 46 metres of net hydrocarbon pay
- An exciting start to the drilling campaign in Block 1 which reduces significantly the exploration risk of the next two exploration wells in Block 1
- The rig will now move to the drilling location for Buffalo-1
- Drilling operations at Buffalo-1 will commence mid-November
- Kingfisher-3 is currently drilling ahead at approximately 2,000 metres

Warthog Discovery – Block 1, Uganda

Drilling operations on Warthog-1 commenced on 27 September 2008 and the well was drilled to a total depth of 911 metres. The well encountered a gross hydrocarbon-bearing interval of approximately 150 metres in thickness, with net hydrocarbon pay of 46 metres. Wireline logging and formation pressure measurements indicate 31 metres of net oil pay in the principal oil-bearing reservoir section, overlain by 15 metres of additional net hydrocarbon pay comprising, most probably, volatile oil, condensate and wet gas.

In addition to the oil discovered in the principal oil-bearing reservoir section, there is further potential upside for liquid hydrocarbons in the overlying reservoir section and elevates further upside potential from the adjacent Warthog North prospect.

Warthog-1 is the first well in a three well exploration programme to be drilled in Block 1. It lies on a structural trend that can be traced from the Kasamene-1 discovery well, in neighbouring Block 2, continuing northeast through the Giraffe and Buffalo prospects in Block 1. All these structures are characterised by seismic amplitude anomalies at reservoir level that appear to directly indicate the presence of hydrocarbons. The successful results of the Warthog-1 discovery further emphasises the highly prospective nature of the Buffalo and Giraffe prospects.

There are a further 15 similarly encouraging amplitude anomalies mapped within Block 1 from over 600 kilometres of seismic data acquired in the licence during the past 18 months, and all represent additional prospects and leads which constitute additional multiple drilling targets.

The Warthog-1 well is being suspended as a potential future production well. The rig will move to drill Buffalo-1 to an anticipated depth of approximately 600 metres and is expected to commence drilling in mid-November. The movement of the rig is expected to take up to 21 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 and 89 million barrels of oil respectively.

Drilling Activity Update – Block 3A, Uganda

Kingfisher-3, which was spudded on 26 September, is currently drilling ahead at 1,957 metres. It is planned to drill Kingfisher-3, and its 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 wells are being drilled to evaluate the southern limits of the field and to gather additional reservoir data in preparation for field development.

Upcoming Exploration Activity in Uganda

Block	Prospect	Interest	Spud Date
Block 1	Buffalo	50%	Q4 2008
Block 1	Giraffe	50%	Q4 2008

Tony Buckingham, CEO, commented:

“Warthog is a significant discovery and maintains the 100% exploration success rate in the Albert Basin, Uganda, during the last three years. This discovery highlights the potential in Block 1 as we continue our high impact multi-well exploration programme. The programme in Block 1 together with the Kingfisher-3/3A appraisal wells in Block 3A, have the potential to transform the Company, by achieving the commerciality threshold and allowing us to proceed with the early development of the Albert Basin.”

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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