



**For Immediate Release: Friday, October 26, 2007**

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, SOUTH AFRICA, AUSTRALIA, JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES IN THE UNITED STATES, SOUTH AFRICA, AUSTRALIA, JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

**Heritage Oil Corporation (“Heritage” or the “Company”)**

### **HERITAGE OIL ANNOUNCES PRICING FOR EQUITY FINANCING**

Calgary, Alberta, October 26, 2007 – Heritage Oil Corporation (TSX: HOC) is pleased to announce the pricing and other terms of the previously announced offering of Common Shares of Heritage, which will be placed by way of an offering in the United Kingdom and pursuant to a short form prospectus in the provinces of British Columbia, Alberta and Ontario in Canada. The closing of the offering is currently expected to take place on or about November 14, 2007. JPMorgan Cazenove Limited (“JPMorgan Cazenove”) is acting as sole global co-ordinator and together with Canaccord Capital Corporation (“Canaccord”), as joint bookrunner and joint placing agent (JPMorgan Cazenove and Canaccord collectively, the “Placing Agents”). The offering is subject to certain customary conditions including regulatory approval from the relevant securities regulators in Canada.

Under the terms of a placing agreement dated October 25, 2007 and made between the Company, Albion Energy Limited (“Albion Energy”) and the Placing Agents, the Placing Agents, subject to the satisfaction of the customary conditions set out therein, have agreed to use their reasonable endeavours to procure subscribers for 3,000,000 new Common Shares being offered from treasury by the Company and purchasers for 3,000,000 existing Common Shares being offered by way of a secondary offering by Albion Energy, in each case at a price of CAD \$60.50 per Common Share. The ultimate owner of Albion Energy is a discretionary trust, a potential beneficiary of which is Mr. Anthony Buckingham, a Director and Chief Executive Officer of Heritage.

Subject to and upon the completion of the offering, the proceeds from the subscription for the new Common Shares will be used by Heritage to fund exploration and development

activities in Uganda, the Kurdistan Region of Iraq, Russia and the Democratic Republic of Congo, potential strategic acquisitions, as well as for general working capital purposes.

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and, except pursuant to an applicable exemption from registration requirements, may not be offered, sold or delivered, directly or indirectly, in the United States of America or its territories or possessions or to or for the account or benefit of any U.S. person. This press release does not constitute an offer to sell or solicitation of an offer to buy any of the securities nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

Outside of Canada, each of the Placing Agents is acting exclusively for Heritage and Albion Energy and for no one else in connection with the offering and will not be responsible to anyone other than Heritage and Albion Energy for providing the protections afforded to customers of such Placing Agent or for providing advice in relation to the offering or any transaction or arrangement referred to herein.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

No prospectus or other offering document has been or will be submitted to be approved by the Financial Services Authority (the “FSA”) in the United Kingdom in relation to the offering.

In the United Kingdom, this announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are (i) Qualified Investors as defined in Section 86(7) of the Financial Services and Markets Act 2000 (“FSMA”) and (ii) fall within Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended (the “Order”) or are persons who fall within Article 49(2)(a) to (d) (“High net worth companies, unincorporated associations, etc.”) of the Order (all such persons together being referred to as “Relevant Persons”). This announcement must not be acted on or relied on by persons in the United Kingdom who are not Relevant Persons.

In member states of the European Economic Area (“EEA”), this announcement is only addressed to and directed at persons who are ‘qualified investors’ (“Qualified Investors”) within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). Any person in the EEA who initially acquires any

securities in the offering or to whom any offer of securities is made will be deemed to have acknowledged and agreed that they are such a Qualified Investor.

**For further information please contact:**

**Global co-ordinator, joint bookrunner agent:**

**& joint placing agent:**

JPMorgan Cazenove Limited  
Ian Hannam / Neil Haycock  
Tel +44 (0) 20 7588 2828  
Email [www.jporgancazenove.com](http://www.jporgancazenove.com)

**Joint bookrunner & joint placing agent:**

Canaccord Capital Corporation  
Jeffrey Auld / Chris Bowman  
+44 (0) 20 7050 6500  
[www.canaccordadams.com](http://www.canaccordadams.com)

**Investor Relations / PR – Europe**

Bell Pottinger Corporate & Financial  
Ann-marie Wilkinson / Nick Lambert  
Tel +44 (0) 20 7861 3936  
Email: [AMWilkinson@bell-pottinger.co.uk](mailto:AMWilkinson@bell-pottinger.co.uk)  
[NLambert@bell-pottinger.co.uk](mailto:NLambert@bell-pottinger.co.uk)

**Canada**

CHF Investor Relations  
Cathy Hume / Kelly Cody  
+1 416 868 1079 x231 / x223  
[cathy@chfir.com](mailto:cathy@chfir.com)  
[kelly@chfir.com](mailto:kelly@chfir.com)

**Heritage Oil Corporation**

**Tony Buckingham / Paul Atherton**

Tel +41 91 973 1800  
+44 870 011 5555  
+1 403 234 9974  
Email [info@heritageoilcorp.com](mailto:info@heritageoilcorp.com)

**Note to Editors**

- 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, the Democratic Republic of Congo and the Kurdistan Region of Iraq.
- For further information please refer to our website at [www.heritageoilcorp.com](http://www.heritageoilcorp.com)

This press release is not for distribution to United States Newswire Services or for dissemination in the United States, South Africa, Australia and Japan.

**If you would prefer to receive press releases via email contact Kelly Cody (kelly@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" in its AIF and elsewhere in Heritage documents filed from time-to-time with the Toronto Stock Exchange and other regulatory authorities. Further, any forward-looking statement is made only as of a certain date and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.