



16 November 2011

**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 2011 to 15 November 2011, in accordance with reporting requirements of the EU Transparency Directive.

Highlights

- Miran West-3 well, which commenced drilling in August 2011, has reached 1,576 metres and is drilling ahead after the successful testing of the Upper Cretaceous oil reservoir in October 2011
- A rig has been contracted to drill Miran East commencing in January 2012
- 3D and 2D seismic acquisition programmes in Kurdistan have completed
- Acquired a 51% equity interest and control of Sahara Oil Services ("SOS") which holds the necessary long term permits and licences to provide oil field services in Libya
- Awarded further acreage in Tanzania with a Production Sharing Agreement ("PSA") covering virtually the entire Rukwa rift basin
- Net average daily production of 882 bopd in the third quarter of 2011, an increase of 71% on the prior year period
- Strong balance sheet with cash of approximately \$353 million as at 30 September 2011, excluding \$405 million related to the tax dispute with the Government of Uganda
- Share buy back programme commenced in April 2011 and to date 32,953,734 Ordinary Shares have been bought back and are held in treasury
- To date 14.90% of PetroFrontier Corp. ("PetroFrontier"), a company exploring in Australia, has been acquired for investment purposes

EXPLORATION ASSETS

Kurdistan Region of Iraq

Heritage successfully completed testing of the Upper Cretaceous reservoir in the Miran West-3 well after drilling to a depth of 876 metres. During testing the maximum measured rate achieved from this reservoir section was 1,950 bopd. Attempts to flow the well at higher rates were severely restricted by the capacity of the surface test equipment. The oil produced on test is estimated to be 15 degree API with very little associated gas, similar to that tested from the same interval in the Miran West-1 discovery well. The well

has now reached 1,576 metres and drilling operations are continuing with a test result on the Lower Cretaceous reservoir expected by year end. The well is expected to complete in the first quarter of 2012 and the rig will then move to drill the Miran West-4 appraisal well.

A rig has been contracted to drill the Miran East structure and is currently being mobilised to Kurdistan. Drilling is expected to commence in January 2012. The Miran East structure is contiguous with the Miran West structure.

Seismic Acquisition

Acquisition of 3D seismic, covering 730 square kilometres, has finished and processing of the data is expected to be completed by year end. An early phase of processing produced an initial dataset covering the core area of the field and this has been used to assist in the drilling and orientation of the angled Miran West-3 well and the selection of the Miran East-1 location. The increased coverage and quality of the 3D data enables enhanced mapping of the structure and increased identification of the fault system and associated fracture networks.

In addition, acquisition of 180 kilometres of 2D seismic on the southern portion of the Miran Block to help identify further potential prospects was completed in October 2011 and processing is also expected to be completed by year end.

Gas Monetisation and Development of the Miran Field

Heritage is considering a phased development of the Miran Field which involves early development by the end of 2013, targeting between 80 and 180 MMscfd of gas for local supplies and the production of between 5,000 and 12,000 bpd of oil and condensate. Full field development should comprise an integrated development of the oil, gas and condensate with export production estimated for 2015.

Work on conceptual development studies and gas marketing plans and strategies has continued and Heritage is in discussions with the Kurdistan Regional Government, gas buyers and contractors regarding both early and full field development.

Tanzania

In November 2011, Heritage announced the award of a further PSA covering 18,920 square kilometres onshore Tanzania through which the Company has licensed virtually the entire Rukwa Rift Basin split into two separate areas; Rukwa North Basin and Rukwa South Basin. Historical gravity and seismic data highlight the potential in the Rukwa Rift Basin and Heritage recognises certain similarities with the Albert Basin of Uganda, thereby providing the Company with a material advantage in assessing the blocks.

Heritage has committed to acquire c.600 kilometres of new 2D seismic data and will also reprocess and reinterpret the legacy seismic database which covers c.2,300 kilometres. Seismic operations will commence in Tanzania in the first quarter of 2012.

Other Assets

In Malta, Heritage has an extensive data set of approximately 5,000 kilometres of 2D seismic, including data acquired in July 2011, which indicates the presence of multiple prospects and leads across Areas 2 and 7. Heritage plans to use SOS to assist with the drilling of its targets offshore Malta.

In Mali, recently acquired seismic data is being interpreted and Heritage is actively looking to advance leads to drillable prospects.

PRODUCING ASSETS

Russia

Production for the third quarter 2011 averaged 882 bopd in the third quarter of 2011, an increase of 71% on the prior year period. The increase is due to a successful horizontal well which was completed in August 2011. The horizontal well is the first such well drilled in the immediate area and presents a more effective and efficient method to develop the field. Based on the excellent horizontal drilling results, further studies to develop the entire Zapadno Chumpasskoye Field by means of horizontal wells are currently being undertaken.

Libya

Heritage acquired a 51% equity interest and control of Sahara Oil Services Holdings Limited (“SOSH”) in October 2011 for cash consideration of US\$19.5 million. SOSH owns the entire share capital of SOS which has the necessary long term permits and licences to provide onshore and offshore oil field services in Libya as well as the rights to own and operate oil and gas licences. Through this acquisition Heritage believes it is very well positioned to play a significant role in the future development of the oil and gas industry in Libya.

CORPORATE

As at 30 September 2011, Heritage had a cash position of approximately \$353 million, excluding amounts related to the tax dispute of approximately \$405 million, which is more than sufficient to cover the work programme into 2013.

Heritage started a share buy back programme in April 2011. To date 32,953,734 Ordinary Shares have been bought back and are held in treasury. Consequently, Heritage has 256,794,296 Ordinary Shares in issue (excluding treasury shares) as well as 2,811,408 exchangeable shares of no par value of Heritage Oil Corporation, each carrying one voting right in Heritage.

The total number of voting rights in Heritage, excluding treasury shares as at 15 November 2011, is 259,605,704.

Heritage has continued to acquire common shares (“Shares”) of PetroFrontier for investment purposes and currently holds 14.90% of the outstanding Shares of PetroFrontier. PetroFrontier is listed on the TSX Venture Exchange and has commenced a high-impact drilling programme in Australia targeting billions of barrels of resources.

A tax tribunal in Uganda and a domestic process are ongoing and in May 2011 Heritage Oil & Gas Limited (“HOGL”) commenced international arbitration proceedings in London against the Ugandan Government. HOGL is seeking a decision requiring, among other things, the return of approximately \$405 million currently on deposit either with the Ugandan Revenue Authority or in escrow with Standard Chartered Bank following HOGL’s sale of its interests in Blocks 1 and 3A in Uganda on 26 July 2010. Heritage, having taken appropriate advice from leading experts, remains of the view that no tax should be payable in relation to this transaction.

Tony Buckingham, Chief Executive Officer, commented:

“We are making great progress across the portfolio by adding exciting new exploration acreage, investing in hydrocarbon prolific areas such as Libya, conducting seismic across existing licences and moving ahead with exploration, appraisal and development work across the Miran Field in Kurdistan. We have a strong balance sheet to pursue these programmes whilst also considering further opportunities.”

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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, exploration projects in the Kurdistan Region of Iraq, the Democratic Republic of Congo, Malta, Pakistan, Tanzania and Mali and an investment in Libya.
- All dollars are US\$ unless otherwise stated.
- For further information please refer to our website, **www.heritageoilplc.com**

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FORWARD-LOOKING INFORMATION:

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 – constitute forward-looking information 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 Prospectus and elsewhere in Heritage documents filed from time-to-time with the London Stock Exchange and other regulatory authorities. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information 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 information.