



18 November 2010

**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 2010 to 17 November 2010, in accordance with reporting requirements of the EU Transparency Directive.

Highlights

- The Miran West-2 well, in the Kurdistan Region of Iraq, has reached a total depth of 4,426 metres
- The well has encountered indications of hydrocarbons from intervals within the Cretaceous, Jurassic and Triassic in excess of 2,500 metres
- Numerous zones for testing have been identified and testing operations have commenced
- Production in Russia averaged 516 bopd for the third quarter of 2010
- As at 30 September 2010, Heritage's cash position was \$614 million, excluding reserved amounts related to the tax dispute in Uganda

EXPLORATION ASSETS

Kurdistan Region of Iraq

The Miran West-2 well has reached a total depth of 4,426 metres. The well encountered indications of hydrocarbons from intervals within the Cretaceous, Jurassic and Triassic in excess of 2,500 metres. A number of zones within these intervals have been identified for testing in both the deeper exploration targets and the initial appraisal objective in the Cretaceous. Testing operations have commenced and a further update will be provided on completion of these tests, expected within the next couple of months.

The acquisition of approximately 550 square kilometres of 3D seismic over the Miran Block has recently commenced. This, along with an extensive fieldwork study that began in October 2010, will help establish future drilling locations to exploit the reservoirs' fracture networks.

Heritage is looking to contract at least one rig to continue the drilling programme across the Block in 2011 which will include an exploration well on the Miran East structure. Heritage has operated in Kurdistan for approximately 700 days without any lost time or environmental incidents.

Other Assets

Work programmes are progressing across the remainder of Heritage's exploration portfolio assets. Acquisition of 300 square kilometres of 3D seismic is due to begin shortly on the offshore Latham Block in Tanzania and acquisition of approximately 800 kilometres of 2D seismic is scheduled to commence in Block 11 in Mali during December. Acquisition and processing of this data will help to establish locations for drilling in the second half of 2011. In addition, Heritage is planning the acquisition of 1,000 kilometres of seismic in Malta for early 2011. Drilling will commence on the Zamzama North Block, Pakistan, when the flood waters subside which is anticipated to be during the first half of 2011.

PRODUCING ASSET

Russia

Production for the third quarter of 2010 averaged 516 bopd, an increase of approximately 22% compared to the third quarter of 2009. Further well optimisation work is planned for late this year and work is progressing on preparations for further development drilling. The drilling of a horizontal well is planned to commence during the first quarter of 2011 to test the viability of horizontal wells for field development.

CORPORATE

As at 30 September 2010, Heritage had a cash position of \$614 million, excluding reserved amounts relating to the tax dispute in Uganda. Following completion of the sale of the Ugandan working interests on 26 July 2010, Heritage deposited \$121.5 million with the Uganda Revenue Authority and placed \$283.5 million in escrow.

Heritage's strong balance sheet will facilitate acceleration of exploration, appraisal and development programmes in its asset portfolio and will support the ongoing initiative to seek attractive terms for participation in other opportunities to generate further value for shareholders. Heritage therefore continues to actively appraise opportunities to enhance its asset portfolio.

Tony Buckingham, Chief Executive Officer, commented:

"We are encouraged by our progress in Kurdistan where we have encountered hydrocarbon shows in the initial Cretaceous objectives and in the deeper exploration targets in the Miran West-2 well. As a consequence, we have commenced extensive testing of target formations and expedited a large 3D seismic programme across the Block. We look forward to completing our Miran testing programme."

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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 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**

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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.