



13 January 2009

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

**HERITAGE OIL ANNOUNCES A WORLD-CLASS OIL DISCOVERY
IN BLOCK 1, UGANDA**

Heritage Oil Limited (LSE: HOIL), an independent upstream exploration and production company, announces a world-class oil discovery with the successful Giraffe-1 exploration well in Block 1, Uganda, which also unlocks further potential in the block.

Highlights

- The Giraffe-1 discovery has a gross oil-bearing interval of approximately 89 metres, with approximately 38 metres of net oil pay
- The Giraffe discovery is considered to be structurally connected to the Buffalo discovery, creating the Buffalo-Giraffe complex
- The Buffalo-Giraffe complex has an area of approximately 48 square kilometres with an oil column of approximately 140 metres
- Based on current mapping the Company's initial estimate of reserves for the Buffalo-Giraffe complex is over 400 million barrels
- The Buffalo-Giraffe complex may extend further to the north and east and include the Buffalo East prospect, which could create one very large structure of up to 90 square kilometres
- Sufficient oil reserves have been discovered in the Albert Basin to exceed the commercial threshold for development

Giraffe Discovery – Block 1, Uganda

The Giraffe-1 exploration well was drilled to a total depth of 705 metres and was successfully logged. The well encountered a gross oil-bearing interval of approximately 89 metres with net oil pay of approximately 38 metres. Downhole pressure testing and sampling have confirmed the presence of moveable oil that was recovered to surface and log interpretation indicates excellent reservoir quality with porosities of up to 30%. The Giraffe-1 well has been suspended as a potential future production well.

Pressure and seismic data indicate that the Giraffe discovery is structurally connected to the Buffalo discovery announced in December 2008, creating a combined Buffalo-Giraffe complex covering approximately 48 square kilometres with an oil column of approximately 140 metres. Based on current mapping the Company's initial estimate of reserves for the Buffalo-Giraffe complex is over 400 million barrels. The Buffalo-Giraffe complex may extend into the Buffalo East prospect creating one very large structure of up to 90 square kilometres.

There are many other prospects and leads mapped within Block 1 from over 600 kilometres of seismic data acquired in the licence during the past 18 months. The data give the potential to find additional substantial quantities of oil. All these prospects and leads are characterised by similarly encouraging seismic amplitude anomalies as those seen over the successful Warthog, Buffalo and Giraffe

discoveries, and represent further additional multiple drilling targets within the block. Heritage plans to undertake further drilling in Block 1 later in 2009.

Tony Buckingham, Chief Executive Officer, commented:

“The large Buffalo-Giraffe structure is a world-class discovery which could prove to be substantially more extensive than currently outlined, unlocking the multi-billion barrel potential of Block 1. Heritage is very proud of being the pioneering company that was awarded the first licence in the Albert Basin in 1997 and has now discovered oil reserves that have achieved the commercial threshold for development. Having reached this critical commerciality milestone, 2009 will be very exciting as we enter the developmental phase for the Albert Basin, while continuing to appraise and explore the basin’s further potential.”

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. For Canadian reporting purposes, under National Instrument 51-101, estimated reserves in this release, which were prepared by management on January 12, 2009, are classified as resources.

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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.
- For further information please refer to our website at www.heritageoiltd.com

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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.